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ANNUAL REPORT

2007 - 2008

- ◆ **Tata Infrastructure Fund**
- ◆ **Tata Indo-Global 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, 2008**

Dear Unitholder,

It gives us great pleasure to enclose schemewise audited financials as on 31st March, 2008. This Report is in continuation of the 'Performance and Portfolio of the Schemes' Report as on 31st March, 2008 published by us earlier.

1. Scheme Performance, Future Outlook and Operations of the Schemes

Tata Infrastructure Fund:

The infrastructure theme did well for part of the year though in 2008, it underperformed. The fund has focussed on this powerful theme and stayed invested in quality names in various sectors within this theme.

Performance at a glance (% as on 31st March, 2008)

	Last 1 year	Last 3 years	Since Inception
Tata Infrastructure Fund	44.65	44.33	42.88 (31/12/04)
BSE SENSEX	19.62	34.03	30.41

Performance at a glance (% as on 31st August, 2008)

	Last 1 year	Last 3 years	Since Inception
Tata Infrastructure Fund	-2.35	29.58	32.93 (31/12/04)
BSE SENSEX	-4.91	23.09	24.07

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.

Tata Indo-Global Infrastructure Fund:

The fund started investing in the markets between index levels of 18000 and 20000 in infrastructure sectors as per the mandate. Since then the market has corrected significantly with the infrastructure stocks taking a beating. This coupled with the fact that the Asian infrastructure space (where the fund has invested through our partner Invesco) has corrected has led to the fund under performing its benchmark indices. It is our belief that the fund would do well over time as the infrastructure space has significant potential.

Performance at a glance (% as on 31st March, 2008)	Since Inception (Absolute Returns)
Tata Indo-Global Infrastructure Fund	-17.17 (12/11/07)
BSE SENSEX and MSCI World Index	-13.80

Performance at a glance (% as on 31st August, 2008)	Since Inception (Absolute Returns)
Tata Indo-Global Infrastructure Fund	-28.14 (12/11/07)
BSE SENSEX to the extent of 65% of portfolio MSCI World Index to the extent of 35% of portfolio	-19.60

Past performance may or may not be sustained in future.

The year that was:

Equity:

Financial Year (FY) 2008 will be etched in the history of India equity markets as one with heightened volatility, wide swings between euphoria and gloom in a span of a few months. Several factors played out on the Indian economic and capital market landscape making it a very eventful and difficult year. During the year we saw inflation rearing up its head with commodity prices and oil moving up. Also, the rupee started to appreciate against the dollar. In April '08 itself the RBI had lowered their forecast of India's GDP growth for FY'08 to about 8-8.5% stating that containing inflation would be their key focus. April and May saw the markets continuing its rally with the GDP numbers for FY'07 announced at 9.4% coupled with strong corporate results and FII /

MF inflows into the market. Equity issuances picked up with June itself seeing \$5.5Bn worth of IPOs and a large part of the fund raising came from the FII's. It was in July that the worries of US housing and financial market turmoil really increased and our sense is that during this period large money moved out of the US and into emerging markets which were offering much higher growth. The month saw one of the highest ever FII inflows in the country at about \$5.8Bn. The RBI hiked CRR further to control inflation. The market had started becoming quite volatile with the housing and financial crisis deepening. August saw the emergence of sovereign funds becoming much more active in the equity markets. A lackluster market continued till mid September when the US Fed started an interest rate cut cycle by lowering interest rates and globally equity markets rallied strongly. Further money moved out of the US and into emerging markets and India was no exception. The market rallied almost 13% month on month during the last 10 trading sessions of September. The rupee further gained strength and appreciated to a 9 year high. This trend continued into October with strong inflows of about \$5Bn from FIIs into India and the market had its highest single month gain since 1990 at about 14.7%. Interestingly domestic mutual funds were net sellers as valuations had climbed up above the long term averages. On hind sight, one feels that the Indian market should have paused at this time. However, retail investor interest in the market picked up considerably during the last three months of the calendar year part of it through a booming IPO market. The market closed above the 20000 mark during December'07.

The new year saw increased volatility with the market peaking out. Fears of a prolonged economic slowdown in the US loomed large on the minds of investors and risk appetite for equities dropped sharply. Further rate cuts came from the US Fed and an economic stimulus package was announced. The market fell 13% during the month. Similar to the rise, the fall also was almost synchronous. Most global equity markets peaked out between August and October '07. India was an exception as it prolonged the bull run till beginning of January'08. In the current calendar year the market has been on correction mode falling further by 11% in March '08. Though from the peak level, the market corrected more than 30% which is a sharp fall in such a short time at the end of the year, the BSE sensx gave a year on year return of 20%.

Overall, it was a tough year especially the second half which saw turmoil in global equity markets. As mentioned earlier, several factors played out at various times during the year thus making it volatile and challenging. However, the long term structural factors in favour of India remain and this change in market direction should be taken as a correction within a long term bull trend.

Debt:

During the first half of year 2007-08, Call rates were hovering below the Reverse Repo Rate for significant period of time on account of easy liquidity. RBI responded by tightening the liquidity through MSS. However, it kept the Repo Rate and Reverse Repo rate unchanged at 7.75% and 6% respectively. Inflation increased steeply to 8% towards the end of the FY 2007-08 compared to 6% at the beginning of year. To control the excess liquidity, RBI hiked the CRR 3 times during the year to 7.5% from 6.25% at the end of previous year. 10 year G-Sec yield at the end of year closed flat at 8% before trading in the range of 7.30% to 8.25% during the year. 10 year corporate bond yields traded in the range of 9% to 10.25% before closing at 9.65% compared to 9.90% at the beginning of year.

FUTURE OUTLOOK:

EQUITY

We are living in times where commodity prices have risen sharply in the last one year and inflation has shot up globally. This along with US sub-prime crises has caused a slowdown in economies across the world. India too has been affected by such global macro events. The estimated growth for the Indian economy for the current year has been toned down to 7.7% for FY'09.

In a bid to rein in inflation, the RBI has been aggressively focusing on reducing money supply growth from the current 21% level to a more comfortable 17%. To this effect the RBI has taken several tough decisions and hiked rates and reserve requirements multiple times at the risk of even slowing down economic growth. Credit growth is likely to moderate to a more sedate 20% from the current 26% and we think that such growth in credit would support the GDP growth rate of around 7.5-8%. In our view the RBI has taken decisive and calibrated measures to rein in inflation and not let the economy overheat. The government's financial position is expected to face challenges in FY'09 due to increase in subsidies to oil marketing and fertilizer companies, implementation of farm loan waiver scheme and implementation of the sixth pay commission etc.

Corporate results for the first quarter of the current financial year have come largely along expected lines. For a broader universe of companies, despite revenue growth of 35%, net profit growth dropped to 8%. Margin pressures due to higher commodity prices and financing costs seems to have dented profitability of many of these companies. We expect that while sectors focused on domestic consumption would continue to record robust growth in FY'09, infrastructure oriented and interest rate sensitive sectors would have a near term challenge on their hands. However, we are sanguine on the medium term prospects of infrastructure oriented sectors given the large requirement for infrastructure and the fact that commodity prices seem to be on a correction course.

FII outflow for the last two quarters from the secondary cash equity market has been to the tune of about \$6.5Bn. However these outflows need to be looked at in the context of heavy inflows of around \$5bn during the Oct-Dec '07 quarter. In this perspective, net FII inflows during FY08 stood at about \$12.9Bn and for the trailing 12 months at \$6.7Bn. The number of FII registrations have picked up after SEBI implemented stricter norms for discouraging flows into the Indian stock market through participatory notes. We view this as a reflection of the commitment displayed by FIIs to the long term India growth story even though in the recent past they have been net sellers due to higher risk aversion towards emerging markets.

The aggravation of the credit crisis in Europe and US over the last 7-8 months has meant increased risk aversion in global markets and slowdown in capital flows to emerging markets including India. A higher domestic cost of capital and reduced capital access from international markets could result in a moderation in the growth rate of investment spending over the coming months. Though capital expenditure is likely to moderate, we see this as a cyclical pause before the momentum picks up again. We expect interest rate to peak out given the anticipated decline in inflation due to retreating commodity prices.

Meanwhile, Indian companies continue to focus on cost competitiveness, increasing productivity levels, reducing working capital cycles and efficient allocation of capital. We are of the opinion that corporate India is in relatively much better position to service their debt obligations and still grow reasonably.

Indian politics is also a factor that could have a bearing on the near term sentiment. The national government election is expected to be held in May 09 with elections for several Indian states to be held in the coming months. However, over the last 16 years since economic liberalization took place in India in a big way, economic reforms have continued to move forward irrespective of the political party at the centre.

After five years of strong bull market, we think that in the near term, till the US credit crisis plays out and risk appetite of international investors improve, the market may consolidate and may remain volatile before it resumes its uptrend. Accordingly the investment strategy would in the near term be to have a stock specific approach and looking for value in a volatile market. We would also primarily focus on the domestic themes of consumption and infrastructure more than the outsourcing theme. Since we believe that inflation could be tamed in the next few months, we would also be looking out for opportunities in interest rate sensitives on dips. If the fallout of the sub prime 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. The Indian economy is likely to be one of the fastest growing economies in the world despite the expected slowdown and the long term Indian growth story is based on a surge in consumption led by a shift in demographic profile towards a young working population, increasing pace of infrastructure build up and the emergence of India as an outsourcing base. Therefore, we believe that India would continue to be an attractive investment destination for investors with a long term perspective. India would also be a key beneficiary of any diversification away from dollar denominated assets. The near term events and concerns are in our view offering an opportunity to invest in India's long term potential. The equity market correction since Jan'08 has factored in the earnings slowdown expected in the coming quarters. In this period, the correction has taken the market closer to the long term average on several valuation metrics. The market is currently quoting at 15x estimated FY 09 earnings which is a slight discount to the long term average.

DEBT OUTLOOK

Inflation has spiked to a 13 year high of 12.44% currently. This higher inflation is the outcome of record high commodities and food article prices as also the sharp spike in crude oil prices in the global markets in recent times. Sustained higher inflation assumed the central theme in the monetary policy as a consequence. Reserve Bank of India has already hiked CRR and Repo Rate on several occasions in 2008. Crude oil prices have since retraced from the escalated levels to around USD112/bl. Similarly, other commodities and food articles prices have also corrected downwards. This has resulted in expectations that together with monetary and fiscal steps introduced by RBI and Govt, inflation outlook may improve over the coming months. However, current inflation appears rather sticky and analysts forecast further rise in headline inflation number before the moderation steps in. Accordingly, inflationary expectations still remain high and are likely to continue to dominate the markets for some time. With money supply growth still above 20%, liquidity moderation will likely be the primary monetary policy target. Short term rates are expected to move further higher till the year end. Long term yields are likely to be range bound in the current band of 9-9.50%. Any spike beyond this band will likely induce value buying by insurance companies and banks.

FUNDS UNDER MANAGEMENT - OPERATIONS

Tata Mutual Fund today manages thirty open ended schemes of which fifteen are equity schemes, two are balanced schemes, thirteen are debt schemes and twelve are close ended schemes of which eight are debt schemes, three are equity scheme and one is Equity Linked Saving Scheme (ELSS). The average net assets under management were around Rs 19760.80 crores as on 31/03/08 which have increased from Rs.14492.47 crores as on 31/03/07 showing an increase of Rs 5268.33 crores. The AMC's continued focus on marketing and sales efforts has been showing good results and the total average net assets under management as on 31/08/08 were Rs 21197.27 crores.

2. Brief Background of Sponsors, Trust, Trustee Co. and Asset Management Company (AMC).

a) Tata Mutual Fund

Tata Mutual Fund (TMF) was set up as a Trust by the Sponsors and the Settlers, Tata Sons Limited (TSL) and Tata Investment Corporation Limited (TICL) on 9th May, 1995 with Tata Trustee Company Private Limited as a Trustee in accordance with the provisions of the Indian Trust Act, 1882 and is duly registered under the Indian Registration Act, 1908. The Trustee has entered into an Investment Management Agreement dated 9th May, 1995 with Tata Asset Management Limited to function as the Investment Manager for all the Schemes of TMF. TMF was registered with SEBI on 30th June, 1995.

b) Tata Trustee Company Private Limited

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

c) Asset Management Company

Tata Asset Management Limited (TAML) is a company incorporated under the Companies Act, 1956 on 15th March, 1994, having its Registered Office at Fort House, 221 Dr. D. N. Road, Fort, Mumbai 400 001. TAML has been appointed as the Asset Management Company for Tata Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated 9th May, 1995, and executed between TTCPL and TAML.

The Trustee Company has appointed TAML as the Asset Management Company for TMF. The shareholders of TAML are TSL and TICL. TAML has entered into an Investment Management Agreement dated 9th May, 1995 with TTCPL, pursuant to which TAML will run the operations of TMF and manage the assets of TMF's Schemes. TAML, having its registered office at, Fort House, 221 Dr. D. N. Road, Mumbai 400 001 is a Company incorporated under the Companies Act, 1956 on 15th March 1994 and was approved to act as an Asset Management Company for TMF by SEBI on 30th June, 1995. The network of TAML as on August 31, 2008 is approximately about Rs. 89.39 crores. TAML is currently managing thirty open-ended schemes and twelve close ended schemes.

3. Investment Objectives of the Schemes

TISF: An open ended equity fund. To provide income distribution and / or medium to long term capital gains by investing predominantly in equity / equity related instruments of the companies in the infrastructure sector.

TIGIF: A close ended equity fund. The investment objective of the scheme is to generate long term capital appreciation by investing predominantly in equity and equity related instruments of companies engaged in infrastructure and infrastructure related sectors and which are incorporated or have their area of primary activity, in India and other parts of the world. The investment focus would be guided by the growth potential and other economic factors of the countries. Looking at the current global economic outlook and estimates of infrastructure spending, the fund managers expect to have a focus on investment opportunities in Asia Pacific Region including India, Europe and Latin America and other growing economies. Portfolio of Overseas/Foreign securities shall be managed by a dedicated Fund Manager, while selecting the securities the Fund Manager may rely on the inputs received from internal research or research conducted by external agencies in various geographies.

4. Significant Accounting Policies:

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

5. Unclaimed Dividend & Redemptions:

Scheme	Unclaimed Dividend		Unclaimed Redemptions		Total	
	Amount	No. of Invst.	Amount	No. of Invst.	Amount	No. of Invst.
TISF	0.00	0	1,308,195.78	74	1,308,195.78	74
TIGIF	0.00	0	0.00	0	0.00	0

6. Statutory Information:

- a. The Sponsors are not responsible or liable for any loss resulting from the operation of the Schemes of the Fund beyond their initial contribution (to the extent contributed) of Rs. 1 lakh for setting up the Fund, and such other accretions / additions to the same.
- b. The price and redemption value of the units, and income from them, can go up as well as down with fluctuations in the market value of its underlying investments.
- c. Full Annual Report shall be disclosed on the website (www.tatamutualfund.com) and shall be available for inspection at the Head Office of the mutual fund. Present and prospective unitholder can obtain copy of the trust deed, the full Annual Report of the Fund / AMC at a price.

Proposed Amendment in Existing Scheme

Tata Infrastructure Fund - Proposed changes to the Offer Document

Under the current offer document the Tata infrastructure Fund is mandated to invest atleast 70% of its net assets under normal circumstances in equity / equity related instruments of companies in infrastructure sector and upto 30% of net assets in debt / money market instruments for providing ongoing liquidity and preservation of capital. 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.

For purposes of investment under the scheme, as per the offer document, Infrastructure sector comprises of Energy, Power and Power Equipment, Oil & Gas and related industries, Petroleum and related industries, Coal, Mining, Aluminium and other Metal Industries, Steel and Steel Utilities, Engineering, Construction and Construction Related Industries, Cement, Transportation, Ports, Telecommunications, Housing, Banking and Financial Services and Healthcare and Related Industries.

In the current environment, with the economic cycle on a probable intermediate term downturn, these sectors could under perform for a while. We have seen significant underperformance in the infrastructure space year to date. As the scheme is mandated only to invest in these sectors, it is becoming difficult to out perform the benchmark (BSE SENSEX) as well as to protect the assets of investors even though the trend could be a medium term phenomenon. In this context we propose to widen the investible universe for the fund and include other non infrastructure sectors upto 30% of the net assets of the fund.

The current investment pattern is given below:

Instruments	Minimum	Maximum	Risk Profile
Equity and Equity related instruments of companies in infrastructure sector	70	100	High
Debt(including money market instruments)	0	30	Low to Medium

we propose to change the same as follows:

Instruments	Minimum	Maximum	Risk Profile
Equity and Equity related instruments of companies in infrastructure sector	70	100	High
Equity and Equity related instruments of other companies	0	30	High
Debt(including money market instruments)	0	30	Low to Medium

If you are not agreeable to the above changes you can redeem your units or you may switch your units to other schemes of Tata Mutual Fund at applicable entry loads. No exit / switch out load will be charged till 31st October, 2008 in respect of units acquired prior to 25th September, 2008. We however look forward and are confident that we would continue to get your support and opportunities to build a long lasting and fruitful relationship with you.

For **Tata Trustee Company Private Limited,**

S. M. Datta
Chairman

Place : Mumbai

Date : 24 September, 2008

Encl. Schemewise Audited Accounts and Auditor's Report

Abbreviations of the Scheme Name:

TISF - Tata Infrastructure Fund, TIGIF - Tata Indo-Global Infrastructure Fund these scheme have two options namely Dividend Option and Growth Option. Dividend option is denoted by D, Div and Growth Option is denoted by G, GR.

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, 2008 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 the 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) Without qualifying our opinion, we draw attention to Note No. 14 of Schedule IX wherein the Management of the Tata Asset Management Limited has explained its rationale regarding certain Accounting Standards issued by the Institute of Chartered Accountants of India as not being applicable to mutual funds.
- g) 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, 2008; 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, 25 August, 2008

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 INDO-GLOBAL INFRASTRUCTURE FUND** ("the Fund") as at 31st March, 2008 and the Revenue Account of the Fund for the period from 3rd September, 2007 (date of commencement) to 31st March, 2008, 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 the 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) The Fund does not hold any Non-traded securities.
- f) Without qualifying our opinion we draw attention to Note No.14 of Schedule IX wherein the Management of the Tata Asset Management Limited has explained its rationale regarding certain Accounting Standards issued by the Institute of Chartered Accountants of India as not being applicable to mutual funds.
- g) 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, 2008; and,
 - (ii) in the case of the Revenue Account, of the deficit of the Fund for the period from 3rd September, 2007 (date of commencement) to 31st March, 2008.

For S. B. BILLIMORIA & CO.
Chartered Accountants

Nalin M. Shah
Partner
(Membership No. 15860)

MUMBAI, 25 August, 2008

Balance Sheet as at 31st March, 2008

(Rupees)

	Schedule	TISF			TIGIF
		As At 31-Mar-08	As At 31-Mar-07		As At 31-Mar-08
LIABILITIES					
Unit Capital	I	9,182,434,770	6,322,326,823		21,767,706,310
Reserves & Surplus	II	15,090,060,414	5,834,787,838		(3,737,912,152)
Current Liabilities & Provisions	III	95,864,915	160,368,432		429,156,768
TOTAL		24,368,360,099	12,317,483,093		18,458,950,926
ASSETS					
Investments	IV	23,073,442,240	12,075,662,640		16,178,418,990
Deposits	V	800,000,000	-		1,150,000,000
Other Current Assets	VI	451,610,088	174,460,106		60,665,650
Deferred Revenue Expenditure	VII	43,307,771	67,360,347		1,069,866,286
TOTAL		24,368,360,099	12,317,483,093		18,458,950,926

Significant Accounting Policies and
Notes to the Accounts

IX

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: 25th August 2008

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

S. M. Datta **Ishaat Hussain**
Chairman 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

D. Da Costa
Fund Manager

Revenue Account for the period / year ended 31st March, 2008

(Rupees)

	Schedule	TISF		TIGIF
		Year Ended 31-Mar-08	Year Ended 31-Mar-07	Period Ended 31-Mar-08
INCOME				
Dividend		96,981,365	95,626,541	15,148,761
Interest	VIII	101,327,140	33,035,467	204,710,510
Profit on sale / redemption of investments		3,922,997,411	2,467,767,594	282,928,374
Profit on inter- scheme transfer / sale of investments		-	-	791,251
Other income		-	-	5,630,150
TOTAL (A)		4,121,305,916	2,596,429,602	509,209,046
EXPENSES AND LOSSES				
Provision / (reversal) for depreciation in value of investments (for NPAs)		-	-	-
Provision for outstanding accrued income considered doubtful		-	-	-
Provision for doubtful deposits and current assets		-	-	-
Loss on sale / redemption of investments		386,099,616	185,069,045	567,381,590
Loss on inter- scheme transfer / sale of investments		8,735,413	7,569,561	3,281,377
Management fees		200,548,754	99,399,512	66,916,974
Trusteeship fees		1,980,474	3,129,092	770,593
Staff cost including salaries allowances, contributions to Provident Fund, Gratuity, etc.		-	-	-
Office and administrative expenses		-	-	-
Registration and local charges		-	-	-
Commission to Agents		110,444,047	47,546,904	43,696,629
Publicity expenses		4,375,547	11,641,122	1,301,118
Audit fees		224,720	637,119	224,720
Other operating expenses		31,728,357	22,341,727	11,626,153
Deferred revenue expenses written off		24,052,576	23,986,858	159,200,871
Depreciation of fixed assets		-	-	-
Custodian fees & expenses		1,438,452	1,529,860	1,540,807
Registrar's fees & expenses		25,899,653	13,763,388	12,665,617
Less : Amount recovered on sale of units on account of management expenses		-	-	-
Provision / (reversal) for diminution in value of investments		1,205,984,987	363,688,994	3,398,704,420
TOTAL (B)		2,001,512,596	780,303,182	4,267,310,869
Surplus / (Deficit) (A - B)		2,119,793,320	1,816,126,420	(3,758,101,823)
Increase / (decrease) in unrealised appreciation in value of investments		1,692,966,525	(1,309,980,149)	26,289,905
Surplus after considering unrealised appreciation / (diminution) in value of investments		3,812,759,845	506,146,271	(3,731,811,918)
Add / (Less): Income Equalisation Account		1,956,321,844	653,457,500	10,429,904
		5,769,081,689	1,159,603,771	(3,721,382,014)

Revenue Account for the period / year ended 31st March, 2008

(Rupees)

	Schedule	TISF		TIGIF
		Year Ended 31-Mar-08	Year Ended 31-Mar-07	Period Ended 31-Mar-08
Add : Surplus brought forward		4,955,057,541	5,023,465,686	-
Transfer from Reserves		-	-	-
Prior Period Income		-	-	-
Surplus / (Deficit) after adjustments		10,724,139,230	6,183,069,457	(3,721,382,014)
Appropriations				
Income Distribution / Units Capitalisation		1,365,680,561	1,228,011,916	-
Tax on dividend distributed		-	-	-
Less : Transfer from Unit Premium Reserve		-	-	-
Add : Amount of load transferred		-	-	-
Amount (Payable) / Receivable to AMC				
Surplus/Deficit carried forward		9,358,458,669	4,955,057,541	(3,721,382,014)
Income (Gross) as a percentage to Average Net Assets		20.81	26.58	6.18
Recurring Expenses as a percentage to Average Net Assets		1.90	2.05	1.63

Significant Accounting Policies and
Notes to the Accounts

IX

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: 25th August 2008

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

S. M. Datta **Ishaat Hussain**
Chairman 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

D. Da Costa
Fund Manager

Schedules forming part of the Balance Sheet as at 31st March, 2008

(Rupees)

	TISF		TIGIF
	As At 31-Mar-08	As At 31-Mar-07	Period Ended 31-Mar-08
Schedule I - Unit Capital			
Initial Capital	7,610,853,241	7,610,853,241	22,134,963,924
<u>Unit Capital</u>			
Units Opening Balance	6,322,326,823	4,529,289,333	22,134,963,924
Add : Unit Capital reissued during the year	5,961,165,273	4,394,701,229	-
	12,283,492,096	8,923,990,562	22,134,963,924
Less : Unit Capital repurchased during the Year	3,101,057,326	2,601,663,739	367,257,614
Unit Capital Closing Balance	9,182,434,770	6,322,326,823	21,767,706,310
Schedule II			
RESERVES & SURPLUS :			
Unit premium reserve			
Opening Balance	877,698,655	(709,465,462)	-
Add : Addition / (deduction) during the year	4,852,495,477	1,587,164,117	(16,530,138)
	5,730,194,132	877,698,655	(16,530,138)
Less : Transfer to / (from) revenue account for the year	-	-	-
Closing Balance	5,730,194,132	877,698,655	(16,530,138)
Accumulated Load			
Opening Balance	2,031,642	547,676	-
Add : Collection during the year	337,776,328	169,205,441	-
	339,807,970	169,753,117	-
Less : Utilised towards agents commission	338,400,357	167,721,475	-
Less : Transferred to AMC	-	-	-
Less : Transfer to revenue account	-	-	-
Closing Balance	1,407,613	2,031,642	-
Revenue Account	9,358,458,669	4,955,057,541	(3,721,382,014)
	15,090,060,414	5,834,787,838	(3,737,912,152)

Schedules forming part of the Balance Sheet as at 31st March, 2008

(Rupees)

	TISF		TIGIF
	As At 31-Mar-08	As At 31-Mar-07	Period Ended 31-Mar-08
Schedule III			
Current Liabilities & Provisions			
Current Liabilities			
Management Fees Payable	10,407,737	5,266,152	6,125,345
Trusteeship Fees Payable	1,768,530	2,938,320	691,018
Selling Commission / Brokerage	1,929,484	14,793,657	4,376,626
Advertisement & Publicity	-	28,539	1,317,554
Audit Fees	224,720	224,720	224,720
Custodian Fees & Expenses	112,360	283,020	112,456
Registrar Fees & Expenses	1,204,517	693,322	8,741,140
Other Expenses	3,449,603	1,431,579	7,117,648
Interest payable on loans	-	-	-
Contract for purchase of investments	27,113,418	103,538,251	182,953,007
Bank account overdrawn as per books	-	-	-
Unclaimed distributed income	-	-	-
Repurchase amount payable	28,010,391	14,617,597	-
Inter-scheme dues	17,490,315	12,345,685	-
Dividend Distribution Tax			
Amount payable to AMC			
Variation Margin Payable - F&O	10	217,497,254	-
Others	4,153,840	4,207,580	-
TOTAL	95,864,915	160,368,432	429,156,768
Provisions			
Provision for loss / depreciation in value of investments			
Provision for doubtful deposits	-	-	-
Provision for outstanding and accrued income considered doubtful	-	-	-
Provision for gratuity	-	-	-
Provision for staff welfare fund	-	-	-
Proposed income distributed on initial capital and unit-capital	-	-	-
Other provisions	-	-	-
TOTAL	95,864,915	160,368,432	429,156,768

Schedules forming part of the Balance Sheet as at 31st March, 2008

(Rupees)

	TISF		TIGIF
	As At 31-Mar-08	As At 31-Mar-07	Period Ended 31-Mar-08
Schedule IV			
Investments			
(Market / Yield to maturity / Fair value)			
Equity Shares	20,298,691,071	10,904,809,326	10,711,550,244
Preference Shares	52,593,750		
Warrants			
Privately Placed Debentures / Bonds	1,049,327,574		
Mutual Fund Units-Offshore	2,957,984,574		
Debentures listed / awaiting listing on recognised stock exchange			
Zero Coupon Bonds / Deep discount Bonds			
Fixed Coupon Floating Rate Note - Reset			
Calls paid in advance			
Term loans			
Securitised Debt			
Mumbai Inter Bank Offer Rate			
Central and State Government Securities			
Asset Backed Securities			
Treasury Bills			
Commercial Paper			
Certificate Of Deposit	-	1,137,605,573	1,985,770,058
CBLO Investments	999,634,511		
Reverse Repos	673,195,334	33,247,741	523,114,114
	23,073,442,240	12,075,662,640	16,178,418,990
Schedule V			
Deposits			
Deposits with scheduled banks	50,000,000	-	900,000,000
Deposits with Companies / Institutions	250,000,000	-	-
Others	-	-	-
	50,000,000	-	1,150,000,000

Schedules forming part of the Balance Sheet as at 31st March, 2008

(Rupees)

	TISF		TIGIF
	As At 31-Mar-08	As At 31-Mar-07	Period Ended 31-Mar-08
Schedule VI			
Other Current Assets			
Balances with banks in current account	52,686,851	123,506,693	2,468,862
Cheques on hand	74,907,604	35,481,416	
Sundry Debtors			
Contract for sale of investments	252,651,574	-	51,959,244
Outstanding and accrued income	29,586,986	7,608,502	373,090
Advance, Deposits, etc.	-	-	
Bridge Finance	-	-	
Shares / Debentures application money, pending allotment	-	-	
Receivable on redemption of investment			
Receivable from the AMC			
Variation Margin - Receivable F&O	15,764,765		
Inter-scheme dues	8,280,506	6,748,448	
Others *	17,731,802	1,115,047	5,864,454
	451,610,088	174,460,106	60,665,650
Schedule VII			
Deferred Revenue Expenditure			
Opening Balance	67,360,347	91,347,205	
Add: Addition during the year			1,247,953,000
Less : Amount written off during the year	24,052,576	23,986,858	159,200,871
Less : Amount recovered on redeemed units			18,885,843
Amount deferred to subsequent years	43,307,771	67,360,347	1,069,866,286

Schedules forming part of the Balance Sheet as at 31st March, 2008

(Rupees)

	TISF		TIGIF
	As At 31-Mar-08	As At 31-Mar-07	Period Ended 31-Mar-08
Schedule VIII			
Interest Income			
Call Money			
Other Deposits	53,931		249,861
Term Deposits	-	434,863	
Debentures / Bonds / Asset Backed Securities	41,379,127	3,283,745	
Discounted Securities	30,437,188	12,870,792	106,212,615
Government Securities	-	-	44,437,748
Reverse Repos	29,456,894	16,446,067	53,810,286
Others	-	-	
	101,327,140	33,035,467	204,710,510

Schedule IX - Statement of significant accounting policies of Tata Infrastructure Fund (TISF) and Notes forming part of the Accounts for the year ended 31st March, 2008.

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. 43,307,771/- (previous year Rs. 67,360,347/-) 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 (Other than Floating Rate Debt 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 (Other than Floating Rate Debt 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 (Other than Floating Rate Debt Securities) :

- a. 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, 2008. 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.

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.

b. Valuation of non traded/thinly traded debt securities with floating rate of interest upto 182 Days to the Interest Reset Date/Maturity Date :

The non-traded / thinly traded floating rate debt securities with a residual maturity / next reset date 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 and the cost spread uniformly over the remaining maturity / interest reset period of the instruments) in the absence of any other standard benchmarks in the market.

c. Floating Rate Debt Securities with Put/Call options :

The floating rate debt securities with put/call options shall be valued in terms of the Valuation Guidelines specified above taking into consideration the next interest rate reset date instead of the final maturity date in the absence of any other guidelines from SEBI.

The aggregate fair value of these non-traded “investment grade” debt securities as at 31st March, 2008 is Rs.1,049,327,574/- (previous year Rs.Nil). The scheme does not invest in “below investment grade” debt securities. These balances exclude redemption proceeds due but not received and fully provided Rs.Nil (previous year Rs.Nil).

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. CBLO Investment:

CBLO investments are valued at cost.

vii. 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.

viii. 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. 338,400,357/- (previous year Rs. 167,721,475/-) 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, 2008.

1. The aggregate value of purchases and sales of investments for the year ended 31st March, 2008 expressed as a percentage of average daily net assets is as under :

Particulars	As at 31-3-08		As at 31-3-07	
	Values*Rs.	%	Values*Rs.	%
Aggregate value of Purchases	134,825,215,612	680.76	29,117,444,011	298.06
Aggregate value of Sales	21,755,837,810	109.85	26,141,917,339	267.60

* 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, 2008 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, 2008.
(Refer Annexure 3).
5. Amount receivable from AMC Rs.17,317,900/- (previous year Rs. Nil) 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	
01-04-07	31-03-08	0.0100%	01-04-06	13-11-06	0.0500%
			14-11-06	31-03-07	0.0100%

7. Contingent liabilities as at 31st March, 2008 are Rs.Nil (previous year Rs.Nil).

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	2007 – 2008 Rs.	2006 – 2007 Rs.	% equity capital held by the sponsors and its subsidiary / associates as at 31 st March, 2008
TML Financial Services Ltd	Selling Commission	752,306	3,880	#
Tata Securities Pvt. Limited.	Selling Commission	1,590,666	937,018	#
Tata Securities Pvt. Limited.	Brokerage on Securities Transactions	813,280	-	#
Tata Asset Management Limited	Management Fees	200,548,754	99,399,512	100%*
Tata Trustee Company Private Limited	Trusteeship Fees	1,980,474	3,129,092	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 31-03-08		As at 31-03-07	
Face Value	10.00		10.00	
Net Asset Value	Dividend	22.5587	Growth	17.7088
	Growth	31.8853	Dividend	22.0210

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

Particulars	2007 – 2008Rs.	2006 – 2007Rs.
Unrealised appreciation	4,613,091,323	2,920,124,798
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, 2008.
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, 2008 the unclaimed redemption amount is Rs. 1,308,196/- for 74 investors (previous year Rs.Nil for Nil investors) and the unclaimed dividend amount is Rs.Nil for Nil investors (previous year Rs.Nil for Nil investors).
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, 2008 no securities are held in the name of Tata Trustee Company Private Limited A/c Tata Mutual Fund.
14. The Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) has opined that the Accounting Standards on Cash Flow Statement (AS-3), Segment Reporting (AS-17) and Related Party Disclosures (AS-18) issued by the ICAI are applicable to financial statements of schemes of mutual funds. The Management of Tata Asset Management Limited (AMC) is of the view that mutual funds are governed by a self contained regulatory framework, i.e. the SEBI Regulations, the Ninth and Eleventh Schedules of which lay down the specific Accounting Policies and Standards to be adopted and the disclosures to be made. Accordingly, the financial statements have been prepared on the basis of the SEBI Regulations.



Expertise that's trusted

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

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: 25th August 2008

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

S. M. Datta **Ishaat Hussain**
Chairman 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

D. Da Costa
Fund Manager

Schedule IX - Statement of significant accounting policies of Tata Indo Global Infrastructure Fund (TIGIF) and Notes forming part of the Accounts for the period from 3rd September, 2007 (date of commencement) to 31st March, 2008.

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 three years. The unamortised portion of the initial issue expenses Rs. 1,069,866,286/- 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 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.

iii. Foreign Currency Transactions :

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of the transaction. Foreign currency denominated assets and liabilities are translated into rupees at the exchange rate prevailing at the Balance Sheet date.

iv. Reverse Repo Investment :

Investment bought on 'repo' basis are valued at cost .

v. 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.

vi. **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.

vii. **Mutual Fund Units – Offshore :**

Investments in units of Offshore Mutual Fund schemes are valued at the declared Net Asset Value as at the Balance Sheet date.

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".

B. Notes attached to and forming part of the accounts for the period from 3rd September, 2007 (date of commencement) to 31st March, 2008.

1. The aggregate value of purchases and sales of investments for the period from 3rd September, 2007 to 31st March, 2008 expressed as a percentage of average daily net assets is as under :

Particulars	As at 31-3-08	
	Value* Rs.	%
Aggregate value of Purchases	401,593,156,159	1898.99
Aggregate value of Sales	23,675,063,584	111.95

* 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, 2008 of any scheme of the fund, in terms of Regulation 25 (11).
(Refer Annexure 2).
4. The scheme has the following futures contracts outstanding (Open Interest) as on 31st March, 2008 not forming part of investments in the Balance Sheet:

	31 st March, 2008
Name of the Equity Index / Stock Futures	Nifty
No of Contracts outstanding	5650
No. Of units:	
• Long	0
• Short	282,500
Contract Value (Rs.)	1,337,372,830
Market Value (Rs.)	1,336,874,750

5. Statement of Portfolio with industry wise classification as at 31st March, 2008.
(Refer Annexure 3).

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 1.00% of the daily net assets above Rs.100 crores and Trusteeship Fees are paid at the rate of 0.0100% of the daily net assets with effect from 12th November, 2007.
7. Contingent liabilities as at 31st March, 2008 are Rs.Nil.
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	Period from 03-09-2007 to 31-03-2008 Rs.	% equity capital held by the sponsors and its subsidiary /associates as at 31st March, 2008
Tata Securities Pvt. Limited.	Selling Commission	3,790,750	#
Tata Securities Pvt. Limited	Brokerage on Securities Transactions	225,000	#
Tata Asset Management Limited	Management Fees	66,916,974	100%*
Tata Trustee Company Private Limited	Trusteeship Fees	770,593	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 31-03-08	
Face Value	10.0000	
Net Asset Value	Dividend	8.2834
	Growth	8.2828

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

Particulars	Period from 03-09-2007 to 31-03-2008Rs.
Unrealised appreciation	26,289,905
Unprovided diminution	0

11. There are no unit holders holding over 25% of the Net Asset Value of the Scheme as at 31st March, 2008.
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 24 November, 2000. As at 31st March, 2008 the unclaimed redemption amount is Rs. Nil for Nil investors and the unclaimed dividend amount is Rs. Nil for Nil investors.
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, 2008 no securities are held in the name of Tata Trustee Company Private Limited A/c Tata Mutual Fund.
14. The scheme is a blended domestic scheme with an option to also invest in overseas equities. Pending the segregation of the overseas portfolio, the scheme is currently investing in Class C shares of INVESCO Asia Infrastructure Fund, where the management fees charged is 1%. However, since as per the understanding between INVESCO and Tata Asset Management Limited, the maximum management fees payable to INVESCO is 0.50% of the Net Assets managed overseas, half of the management fees so charged would be paid back by INVESCO. Accordingly an amount of Rs. 5,630,150/- is shown as Other Income, which has been subsequently received.
15. The Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) has opined that the Accounting Standards on Cash Flow Statement (AS-3), Segment Reporting (AS-17) and Related Party Disclosures (AS-18) issued by the ICAI are applicable to financial statements of schemes of mutual funds. The Management of Tata Asset Management Limited (AMC) is of the view that mutual funds are governed by a self contained regulatory framework, i.e.



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the SEBI Regulations, the Ninth and Eleventh Schedules of which lay down the specific Accounting Policies and Standards to be adopted and the disclosures to be made. Accordingly, the financial statements have been prepared on the basis of the SEBI Regulations.

16. The scheme was launched on 3rd September, 2007 and hence there are no comparative figures.

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: 25th August 2008

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

S. M. Datta

Chairman

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

D. Da Costa

Fund Manager

KEY STATISTICS FOR THE YEAR / PERIOD ENDED 31ST MARCH, 2008

	TISF		TIGIF
	31-Mar-08	31-Mar-07	31-Mar-08
1. Net Asset Value per unit Rs.			
Open	D -17.7088, G -22.0210	D -19.2745, G -20.0401	NA
High	D- 33.5565 G- 45.5150	D- 22.4941 G- 25.0577	D - 10.8952 G - 10.8955
Low	D- 16.9870 G- 21.1237	D- 14.2466 G- 14.8069	D - 7.8501 G - 7.8502
End	D - 22.5587 G - 31.8853	D -17.7088, G -22.0210	D - 8.2834 G - 8.2828
2. Closing Assets Under Management (Rs. in Lakhs)			
End	242,710.87	121,564.52	180,301.71
Average (AAuM)	198,051.11	97,690.05	211,477.37
3. Gross income as % of AAuM ¹	20.81	26.58	6.18
4. Expense Ratio:			
a. Total Expense as % of AAuM (plan wise)	D - 2.50% G - 2.50%	D - 2.50% G - 2.50%	D - 2.50% G - 2.50%
b. Management Fee as % of AAuM (plan wise)	D - 1.25% G - 1.25%	D - 1.25% G - 1.25%	D - 1.25% G - 1.25%
5. Net Income as a percentage of AAuM ²	18.82%	24.61%	-0.29%
6. Portfolio turnover ratio ⁴	115.77	73.71	137.07
7. Total Dividend / Bonus per unit distributed during the year / period (plan wise) (Rs.)	3.00	3.50	0.00
8. Returns:			
a. Last One Year			
Scheme	44.65	9.88	-
Benchmark	BSE Sensex		BSE Sensex & MSCI World Index
	19.62	15.89	-
b. Since Inception			
Scheme	42.88	42.10	-17.17
Benchmark	BSE Sensex		BSE Sensex & MSCI World Index
	30.41	35.53	13.80

- Gross income = amount against (A) in the Revenue account i.e. Income.
- Net income = amount against (C) in the Revenue account i.e. NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD
- Portfolio Turnover = Lower of sales or purchase divided by the Average AuM for the year/period.
- AAuM=Average daily net assets
- Inception Dates: TISF: 31/12/2004; TIGIF: 12/11/2007
- Past performance may or may not be sustained in future.

Statutory Details: Constitution : Tata Mutual Fund (TMF) has been set up as a Trust under the India Trust Act, 1882. Sponsors & Settlers: Tata Sons Limited and Tata Investment Corporation Limited. Trustee : Tata Trustee Company Pvt. Limited. Investment Manager: Tata Asset Management Limited. **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 and Tata Indo-Global Infrastructure Fund are only the name of the Schemes 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. • Tata Indo-Global Infrastructure Fund - To the extent the assets of the scheme are invested in overseas financial assets, there may be risks associated with currency movements, restrictions on repatriation and transaction procedures in overseas market. Further, the repatriation of capital to India may also be hampered by changes in regulations or political circumstances as well as the application to it of other restrictions on investment. In addition, country risks would include events such as introduction of extraordinary exchange controls, economic deterioration, bi-lateral conflict leading to immobilization of the overseas financial assets and the prevalent tax laws of the respective jurisdiction for execution of trades or otherwise. • The Scheme may also invest in ADRs / GDRs / Foreign Debt Securities as permitted by Reserve Bank of India and Securities and Exchange Board of India. To the extent that some part of the assets of the Schemes may be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by the changes in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital also may be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment. • As the portfolio will invest in stocks of different countries, the portfolio shall be exposed to the political, economic and social risks with respect to each country. However, the portfolio manager shall ensure that his exposure to each country is limited so that the portfolio is not exposed to one country. Investments in various economies will also diversify and reduce this risk. • **For scheme specific risk factors & other details please read the Offer Document (OD), Scheme Information Document (SID), Statement of Additional Information (SAI) and Key Information Memorandum (KIM) of the scheme carefully before investing.**

INVESTOR SERVICE CENTRES - AMC OFFICES**Call Free : 1800 – 209 – 0101**

West Zone: **Mumbai:** Mulla House, Grnd Floor, Homi Modi Street, Mumbai – 400 001, Tel: (022) 66505240, **Ahmedabad:** 402, 'Megha House', Mithakali - Law Garden Rd, Netaji Marg, Ahmedabad – 380 006, Tel: (079) 65418989 / 65447799, 26466080, **Bhopal:** MF-12A Mezzanine Floor, Front Row, Mansarovar Complex, Habibganj, Bhopal – 462 016, Tel: 9826826646, **Goa:** FO-4, 1st Floor, Indraprastha, Above Dena Bank, Dr. Shirgaonkar Road, Panjim. Goa – 403 001, Tel: (0832) 6451135/36, **Indore:** G-25 City Centre, 507 M.G. Road, Indore – 452 001, Tel: (0731) 4201806, **Jabalpur:** Office No. 4, 1178, Napier Town, Home Science College Road, Jabalpur, MP, Tel: (0761) 4074263, **Jamnagar:** A-7 Mahavir Apartment, Opp. Palace, Jamnagar – 361 001, Tel: 9898366767, **Nagpur:** 21, "Mile Stone", 109, 1st Floor, Near Lokmat Square, Wardha Rd, Ramdaspath, Nagpur – 440 010, Tel: (0712) 6502885, **Nashik:** 5, Samriddhi Residency, Opp. Hotel City Pride, Tilakwadi, Sharanpur Rd, Nashik – 422 002, Tel: (0253) 6510315, 6605138, **Pune:** Office No. 105, D-GOLD House, Near Hotel Sheetal, B/H Bharat Petrol Pump, Dnyaneshwar Paduka Chowk, F.C. Road, Shivajinagar, Pune – 411 005, Tel: (020) 64005932/ 30288775/ 6, **Rajkot:** Arihant Plaza, 201 2nd Floor, Subhas Rd, Near Moti Taki, Rajkot – 360 001, Tel: (0281) 6624848, **Surat:** 421, Jolly Plaza, Near Collector Office, Next to G.P. College, Athwa Gate, Surat – 395 001, Tel: (0261) 6554418 / 19, **Vadodara:** 202/203, Madhav Complex, R C Dutt Road, Alkapuri, Vadodara – 390 007, Tel: (0265) 6641888, 2356114.

North Zone: **Ajmer:** 2nd floor, 42, K.C. Complex, Daulat Bagh Rd, Sunder Vilas, Ajmer – 305001. Tel: (0145) 2625316. **Agra:** G-12, Block No.-19/4, Vimal Tower, Sanjay Place, Agra – 282 002, Tel: (0562) 2525195, **Allahabad:** 1st Floor, 43/1 S P Marg, Civil Lines, Opp MAK Tower, Allahabad – 211 001, Tel: 9235531480, **Chandigarh:** Cabin No. 3-4-5, 1st Floor, S C O 487-488, Sector 35-C Chandigarh -160 022, Tel: (0172) 5087322 / 2603771, **Dehradun:** Shop No. 19, Ground Floor, Shree Radha Palace, 78, Rajpur Road, Dehradun - 248 001, Tel: (0135) 6450877, **Delhi:** 710-712 Prakash Deep Building, 7th Floor, 7 Tolstoy Marg, Connaught place, New Delhi – 110 001, Tel: (011) 66324111/102, 66303202, **Jaipur:** 233, 2nd Floor, Ganapati Plaza, M I Road, Jaipur – 302 001, Tel: (0141) 5105177 / 78, 6539009, **Jodhpur:** Jaya Enclave, 79/4, Opp. IDBI Bank, 1st A Road, Sardarpura, Jodhpur – 342 001, Tel: (0291) 6450555, 2631257, **Kanpur:** Grnd Floor, Agarwal Building, Adjng Oriental Bank of Commerce, Survey No. 419/1 Cantts, The Mall, Kanpur - 208 004, Tel: (0512) 2306066, **Kota:** 1st Flr, 75, Shopping Centre, Opp. Rotary Binani Sabhagar, Kota - 324007. Tel: (0744) 2362548. **Lucknow:** Office No.2, Saran Chambers-I, 1st Floor, 5, Park Road, Lucknow - 226 001, Tel: (0522) 6452432 / 4001731, **Ludhiana:** Cabin No. 201, 2nd. Floor, SCO 18, Opp Ludhiana Stock Exchange, Feroz Gandhi Market, Ludhiana - 141 001, Tel: (0161) 5089667/6503366, **Moradabad:** Lower Grnd Floor, Shop - 33, Chadha shopping Complex, GMD Rd, Moradabad – 244 001, Tel: (0591) 6535002 / 2313567, **Udaipur:** Office No. 4, 2nd Floor, Madhav Apartment, Opp. G P O, Chetak Circle, Udaipur – 313 001, Tel: (0294) 2429371 / 6450979, **Varanasi:** D-64/127, C-H Arihant Complex, Sibra, Varanasi – 221 010, Tel: (0542) 6544655.

South Zone: **Bangalore:** 4/6, Millers Road, High Grounds, Lane Opp to Syndicate Bank, Bangalore – 560 052, Tel: (080) 66561313 / 65335986 /87, **Calicut:** C – 8 & 9, Grnd Flr, Friends Commercial Complex, Arayadathu Palam, Mavoor Rd, Calicut, Kerala 673016, Tel: (0495) 6450508, **Chennai:** Riaz Garden, 3rd Floor, No. 29, Kodambakkam High Rd, Near Palmgrove Hotel, Nungambakkam, Chennai – 600 034, Tel: (044) 64541868/69/78, **Cochin:** 2nd Floor, Ajay Vihar, JOS Junction, M. G. Rd, Cochin - 682 016, Tel: (0484) 2377580, 6533107, **Coimbatore:** 551-A, 1st Floor, West Lokmaniya Street, Near CAMS, R.S. Puram, Coimbatore – 641 002, Tel: (0422) 6502133/ 44, **Hubli:** 15 & 16, 2nd Floor, Eureka Junction, Travellers' Bungalow Rd, Above ICICI Bank, Hubli – 580 029, Tel: (0836) 6450342, **Hyderabad:** 3rd Floor, Block - B, R.R Estate, G S Mall, Somajiguda, Hyderabad – 500 082, Tel: (040) 65361237 / 38, 65548290, **Kottayam:** C S I Ascention Square, Collectorate P .O, Kottayam-686 002, Tel: 9447559230, **Madurai:** D2, 3rd Floor, AR Plaza, 16/17, North Veli Street, Madurai – 625 001, Tel: (0452) 6454330, **Mangalore:** Essel towers, 1st floor, Bunts hostel circle, Above UTI bank, Mangalore – 575 003, Tel: (0824) 6450308, **Mysore:** 847, 1st Floor, New Kantharaja URS Road, Above New Krishna Sweets & Bakery, Kuvempu Nagar, Mysore – 570 023, Tel: (0821) 6450470, **Salem:** Rajtowers, Grnd Floor, #4 Brindhavan Rd, Fairlands, Salem – 636 016, Tel: (0427) 6451653, **Trivandrum:** 4th Floor, Krishna Towers, Sasthamangalam, Trivandrum – 695 010, Tel: (0471) 6535431, 2319139, **Trichur:** 4th Floor, PathyaPura Buildings, Round South, Trichur -680 001, Tel: (0487) 6451286, **Trichy:** No.60/3, 'Krishna' 2nd Floor, Sastri Main Road, Tennur, Trichy - 620 017, Tel: (0431) 6455060, **Vijaywada:** 5th Flr, Kona Heights, Opp. All India Radio, M.G. Road, Vijaywada – 520 010, Andra Pradesh, Tel: (0866) 6532621, **Visakhapatnam:** Shop 10 & 11, 1st Flr, Above Titan Showroom, Sreemukha Complex, Dwarakanagar, Visakhapatnam – 530 016, Tel: (0891) 6451883.

East Zone: **Bhilai:** Shop No.145, Grd Flr, Chauhan Estate, Near HDFC Bank, Bhilai - 490 001, Tel: (0788) 2295625. **Bhubaneshwar:** Janpath Tower, Room-208, 2nd Flr, Ashok Nagar, Bhubaneshwar - 751 009. Tel: (0674) 2533818 / 6450817. **Dhanbad:** Shriram PLaza, Room - 409, 4th floor, Bank More, Dhanbad, Jharkhand - 826 001, Tel: (0326) 2300304. **Durgapur:** A-207, 1st floor, Kamdhenu, Bengal Shristi Complex, City Centre, Durgapur - 713 216. Tel: (0343) 6454797. **Guwahati:** 109, 1st Floor, Orion Towers, Christian Basti, G. S. Road, Guwahati- 781 005. Tel: (0361) 2343084. **Jamshedpur:** C/o. Mithila Motors Ltd., 1st Floor, Main Road, Bistupur, Jamshedpur - 831 001 Tel: (0657) 2756021/22/23/30. **Kolkata:** Tata Centre, 1st Floor, 43, Jawaharlal Nehru Road, Kolkata - 700 071, Tel: (033) 22881534 / 3413 / 15. **Patna:** 605, 6th Floor, Ashiana Harnivas, New Dak Banglow Road, Patna - 800 001. Tel: (0612) - 6450120 / 2206497, **Raipur:** Shop No. - 331 & 332, Lal Ganga Shopping Mall, 3rd Floor, G E Road, Raipur - 492 001, Tel: (0771) 6537340 / 2543354. **Ranchi:** Shop No - 15, Grnd Floor, A.C. Market, G.E.L. Church Complex, Main Road, Ranchi - 834 001, Tel: (0651) 2330704. **Siliguri:** Lower Grnd Flr, Nanak Complex, Sevoke Road, Siliguri – 734001.