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# **ANNUAL REPORT**

## **2009 - 2010**

- Tata Dividend Yield Fund

**STATUTORY DETAILS:**

<p><b>SPONSORS</b> <b>Tata Sons Limited</b> Bombay House, 24, Homi Modi Street, Mumbai - 400 001.</p> <p><b>Tata Investment Corporation Limited</b> Ewart House, 22, Homi Modi Street, Mumbai - 400 001.</p> <p><b>TRUSTEE</b> <b>Tata Trustee Company Limited</b> Mafatlal Centre, 9th Floor, Nariman Point, Mumbai – 400 021.</p>	<p><b>AMC</b> <b>Tata Asset Management Ltd.</b> Mafatlal Centre, 9th Floor, Nariman Point, Mumbai – 400 021.</p> <p><b>REGISTRAR</b> <b>Computer Age Management Services (Pvt.) Limited</b> 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, 2010

Dear Unitholder,

It gives us great pleasure to enclose schemewise audited financials as on 31<sup>st</sup> March, 2010. This Report is in continuation of the 'Performance and Portfolio of the Schemes' Report as on 31<sup>st</sup> March, 2010 published by us earlier.

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

### The year that was:

#### Equity:

At the start of the financial year FY10, the world was still reeling from the after effects of the Lehman collapse in end-2008 and the global financial crisis. In response to the global situation, the Indian government had unleashed a set of fiscal and monetary measures to provide stimulus to the economy in such a tough phase. In Apr'09, in its Annual Monetary policy announcement, the RBI announced a further cut in repo (rate at which it lends) and reverse repo (rate at which it absorbs excess cash) by 25 basis points to 4.75% and 3.25% respectively.

Meanwhile, the Indian equity markets saw significant recovery in line with the improving global markets and with improving growth prospects in the domestic economy. Emerging markets including India bottomed out in Mar '09 with BSE Sensex moving from a level of 9709 (Mar 31, '09) to close at 17528 (Mar 31, '10), a gain of 80.5% during FY10. The CNX Mid cap index did better than the broader BSE Sensex and the BSE Small cap index out performed the Mid cap index thus reflecting improved risk appetite in the system. The valuation differential which had increased between the large cap stocks and the smaller stocks during the fall got bridged to some extent in the rally during the year. As has been seen in the past rallies deeply under valued stocks have given the highest returns and needless to say most of these have been in the small and mid cap category. After the initial up trend the markets moved into a range from September '09 with uncertainty on China's growth, concerns on sovereign default in Dubai, parts of Europe etc. However the market has been displaying strength by remaining near the upper end of the band most of the time and not having corrected below approximately 15500. During the year FIIs invested about \$4.5Bln in the Indian market a major reversal from the last year. There has been good money flow into emerging markets given the high liquidity in the global financial system and as risk appetite improved with economic recovery.

The Indian economy bounced back extremely well from the global economic crisis which hit most countries in 2008. Even in FY09, amidst the global economic crisis, our economy had grown by 6.7%, which was quite commendable especially when so many developed economies went through a recession. During FY10, the Indian economy continued to recover, with the Indian GDP growing at a rate of 6.7% for the period Apr – Dec'09, and when the final numbers are out for FY 10(Apr'09-Mar'10), it is expected to grow by 7% plus. Also, optimism on Indian economic growth is back, with the Economic Advisory Committee of the Prime Minister of India expecting the economy to grow at 8% plus in FY11.

An extremely significant event during the period under review was the comeback of Congress led UPA, to power at the Centre, in May '09. In fact the month of May '09 would go down in history as one of the best months for the Indian equity market with both the key indices gaining 28%. UPA, with a decisive mandate and unencumbered by the restraining hand of the Left Parties came in with a clear focus on growth and development with special emphasis on the rural sector and faster execution in infrastructure development. In order to keep a check on the high fiscal deficit, the Indian government also announced an aggressive divestment plan which would be led by its paring its holdings in Public Sector Units and would also seek to list all unlisted public sector undertakings with positive net worth and which have been profitable in the last three years.

A big challenge for the Indian economy last year was high inflation, with the Mar'10 figure of Wholesale Price Index (WPI) growing at 9.9% y-o-y. Inflation was benign during the first few months of FY10, but started rising from July'09 onwards and led by food articles, remained at an elevated level towards the end of FY10. Though partly high inflation can be ascribed to supply side issues, the Reserve Bank of India has taken some significant steps since Jan 2010 to tackle this, including increasing the cash reserve ratio (CRR) by 100 bps to 6% in order to withdraw the excess liquidity from the banking system and also raise repo and reverse repo rates by 50 bps to 5.25% and 3.75% respectively, by end-Apr'10.

The budget speech presented to parliament on Feb 26, 2010 focused on continued growth with emphasis on consumption led by India's demographic dividend and thrust on infrastructure investments. The Government continued with its focus on agriculture, rural and social sector investments with increased planned allocation into infrastructure related sectors. The Government affirmed its intent to reduce the fiscal deficit for FY 11 to 5.5% of GDP and further to 4.8% (FY12) and 4.1% (FY13). In terms of increase in revenue sources, the FY11 divestment target for the Public Sector Enterprises is INR 400 bn vis-à-vis' the divestment achievement of INR 250 bn in FY10. The 3G auction which was budgeted to collect INR 350 bn for the government in FY11 has now netted about INR 670 bn as on May 19, '10, (last date of the auction), which should help the Government in achieving its fiscal deficit number for FY11. Also in order to broad base tax collection, additional services have also been brought under the ambit of Service Tax. Robust sentiments on the back of a Union Finance Budget saw the S&P upgrading of India's rating outlook from negative to stable while affirming both long-term and short-term sovereign ratings at BBB- and A3.

A quick analysis of Q4FY 10 corporate results shows that broadly the results of corporate India have been in line with expectations, and the robust growth in revenue figures of companies pretty much captures the strong economic growth in India, that has bounced right back after the slowdown witnessed in late-2008 and early-2009. The first two quarters of the year were like an extension of the scenario that unfolded in the second half of the previous year. Most economic indicators had turned for the better for example the index of industrial production growth. However the slow recovery and the high base led to weak corporate performance in the first half of the year. But the

second half was just the opposite. Corporate performance recovered strongly on the back of the global recovery as well as the boost in consumption from the government through fiscal and monetary measures. The low base of last year also played a role in the growth looking much better than expected. Given the current trends we expect the economy to continue to grow at a high pace in the current year as well if there is no further damage to global economic recovery from the western world.

**Debt:**

The global economy after suffering one of the worst recessions in FY 2008-2009, started to recover in FY 2009-2010, on the back of massive stimulus by governments across the major economies. However, compared to developed economies, the emerging economies fared well. The GDP growth in India, which had slumped to 6.7% during 2008-2009, grew by 7.4% in FY 2009-10.

The financial market during 2009-10 was characterised by prevalence of comfortable liquidity conditions in money markets despite large government borrowing programme and rising pressure on medium to long-term government bond yield on the back of rising inflationary pressure.

During the year the headline Wholesale Price Index (WPI) inflation, firmed up significantly. While the initial inflationary pressure was largely due to rising food and fuel prices, reflecting the impact of a deficient monsoon on agricultural output and the increase in international crude prices, in the second half of the year, the inflation became increasingly generalized due to persistent supply side pressures. This was evident from the acceleration of inflation in non-food manufactured products from -0.4% in November 2009 to 4.7% in March 2010. These inflationary conditions, coupled with the stronger growth, forced RBI to reverse the accommodative monetary policy. RBI started the reversal of its accommodative policy by hiking CRR by 75 basis points and Repo and Reverse Repo by 25 basis points in Q4 of FY 2009-10.

During the year due to ample liquidity, the call rate hovered around the lower range of the Liquidity Adjustment Facility (LAF) corridor throughout the year. However, longer end of the yield curve continued to shift upwards indicating market concerns of fiscal deficit and rising inflationary pressures. While the medium to long-term bond yields, in general, moved up during the year, reflecting inflation and fiscal deficit concerns, the short-term yield softened till Q3 of 2009-10, reflecting the surplus liquidity conditions, followed by a hardening trend in Q4 as the surplus liquidity reduced and there was a general shift in the interest rate environment. The benchmark 10 year yield which was at 7.01% at the beginning of the year touched at high of 8% in Q4 of 2009-10, before closing at 7.84% towards the end of the year. The corporate bonds were stable, with 5 year AAA yield averaged around 8.25% and closed the year at 8.55%. However, the spread between the 5 Year AAA bond, which had hit a high of around 400 bps at the height of credit crisis in FY2008-09, narrowed down considerably to close the year at 101 bps,.

**Tata Dividend Yield Fund:**

During the Financial Year 2010, the fund outperformed its benchmark BSE SENSEX, while sticking to its investment mandate.

Performance at a glance (% as on 31<sup>st</sup> March, 2010)

	Last 1 year	Last 3 years	Last 5 years	Since Inception
Tata Dividend Yield Fund	103.82	20.24	21.06	21.65 (22/11/04)
BSE SENSEX	80.54	10.26	21.96	22.30

**Past performance may or may not be sustained in future.**

**Return for period upto 1 year is absolute and for more than one year is compounded annualised. Returns are for growth option.**

**FUTURE OUTLOOK:**

**EQUITY**

In the near term, global issues like central bank policy in developed nations and speed of withdrawal of stimulus measures by governments will concern markets. Sovereign debt issues in Greece, Ireland, Italy, Portugal and Spain etc. will continue to impact overall risk appetite of investors across the world. Amongst the domestic issues, monsoon prediction from the Indian Metrological Department suggests normal rainfall. Indian companies continue to show robust revenue buoyancy but the main challenge for them would be to maintain their margins in light of high inflation and renewed wage hike pressures. A significant contribution to forecasted earnings growth in the next financial year comes from the beaten down sectors like real estate and commodities. The commodities space has high linkages to the global economy and therefore a strong economic recovery is critical for the sector to do well and contribute as expected. Also, even though our economy is relatively less affected by global events our markets are integrated with global markets and thus India is not decoupled completely.

The government has taken some bold steps to reduce fiscal deficit like partially de controlling the petroleum sector. In this regard the huge sum collected through the 3G and Broadband Wireless Association (BWA) auctions would help significantly, as also the proceeds from divestment of profitable public sector undertakings. Therefore the macro situation seems to be getting better helped also by moderate commodity prices. In such a scenario Indian companies should perform and grow at a fast pace. However, valuations may not get re-rated in the near term with lingering global economic uncertainties. Such a scenario would offer a number of opportunities to invest with strong growth yet reasonable valuation.

In the medium to long term, we remain sanguine on India's growth prospects, though India's challenge would be to keep inflation under leash without hurting growth. The four drivers of economic growth in India – consumption growth led by India's demographic dividend, thrust on infrastructure roll out, financial intermediation, and India's leading position in the outsourcing markets are very much in place. All these structural forces are expected to play out in the medium to long term. Therefore notwithstanding any short term volatility in the

Indian stock market, there is no material change to our broad Fund strategy, though we may continue to restructure the portfolio on a stock specific basis depending upon emerging opportunities.

## **DEBT OUTLOOK**

Going ahead, we expect the RBI to continue with its policy of normalizing the accommodative monetary policy by hiking the Repo and Reverse Repo further during FY 20010-11. As a result of this, we expect that the easy liquidity conditions that prevailed in last year expected to reverse and the short term rates to move upward. However, the long term yield curve is expected to remain steady at higher levels in the initial period, before trending downwards in the later part of the year, as inflation cools off and the majority of the borrowing programme gets completed.

## **FUNDS UNDER MANAGEMENT - OPERATIONS**

Tata Mutual Fund today manages thirty-nine open ended schemes of which sixteen are equity schemes, two are balanced schemes, twenty are debt schemes, one is Equity Linked Saving Scheme (ELSS) and nine are close ended schemes of which one is an equity scheme, three are balanced schemes, three are debt schemes, and two are Equity Linked Saving Scheme (ELSS). The average net assets under management were around Rs 21935.17 crores as on 31/03/10 which have increased from Rs. 17029.87 crores as on 31/03/09 showing an increase of Rs 4905.30 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 31/05/10 were Rs 22673.43 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 9<sup>th</sup> May, 1995 with Tata Trustee Company Limited as a Trustee in accordance with the provisions of the Indian Trusts Act, 1882 and is duly registered under the Indian Registration Act, 1908. The Trustee has entered into an Investment Management Agreement dated 9<sup>th</sup> May, 1995 with Tata Asset Management Limited to function as the Investment Manager for all the Schemes of Tata Mutual Fund (TMF). TMF was registered with SEBI on 30<sup>th</sup> June, 1995.

#### **b) Tata Trustee Company 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 there under are managed by the AMC in accordance with the Trust Deed, the Regulations, directions and guidelines issued by the SEBI, the Stock Exchanges, the Association of Mutual Funds in India and other regulatory agencies.

#### **c) Asset Management Company**

Tata Asset Management Limited (TAML) is a company incorporated under the Companies Act, 1956 on 15<sup>th</sup> March, 1994, having its Registered Office at Mafatal Centre, 9<sup>th</sup> Floor, Nariman Point, Mumbai – 400 021. TAML has been appointed as the Asset Management Company for Tata Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated 9<sup>th</sup> May, 1995, and executed between TTCL 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 9<sup>th</sup> May, 1995 with TTCL, pursuant to which TAML will run the operations of TMF and manage the assets of TMF's Schemes. TAML, having its registered office at, Mafatal Centre, 9<sup>th</sup> Floor, Nariman Point, Mumbai – 400 021 is a Company incorporated under the Companies Act, 1956 on 15<sup>th</sup> March 1994 and was approved to act as an Asset Management Company for TMF by SEBI on 30<sup>th</sup> June, 1995. The network of TAML as on May 31, 2010 is approximately about Rs. 133.41 crores. TAML is currently managing thirty-nine open-ended schemes and nine close ended schemes.

### **3. Investment Objectives of the Schemes**

**TDYF:** An open ended equity scheme. To provide income distribution and or medium to long term capital gains to its unitholders by investing predominantly in high dividend yield stocks.

### **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 (Rs.)	No. of Investors	Amount (Rs.)	No. of Investors	Amount (Rs.)	No. of Investors
Tata Dividend Yield Fund	0	0	1,197,816	43	1,197,816	43

**6. Statutory Information:**

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

**7. Disclosure of Investors Complaints:**

**Redressal of Complaints received against Mutual Funds (MFs) during 2009-2010:**

**Name of Mutual Fund : TATA Mutual Fund**

**Total Number of Folios: 1662754**

Com-plaint code	Type of complaint#	(a) No. of complaints pending at the beginning of the year	Action on (a) and (b)									
			(b) No of complaints received during the year	Resolved				Non Action-able*	Pending			
				Within 30 days	30-60 days	60-180 days	Beyond 180 days		0-3 months	3-6 months	6-9 months	9-12 months
I A	Non receipt of Dividend on Units	0	663	632	0	0	0		31	0	0	0
I B	Interest on delayed payment of Dividend	0	0	0	0	0	0		0	0	0	0
I C	Non receipt of Redemption Proceeds	0	54	54	0	0	0		0	0	0	0
I D	Interest on delayed payment of Redemption	0	64	64	0	0	0		0	0	0	0
II A	Non receipt of Statement of Account/Unit Certificate	1	15	16	0	0	0		0	0	0	0
II B	Discrepancy in Statement of Account	0	3	3	0	0	0		0	0	0	0
II C	Non receipt of Annual Report/Abridged Summary	0	1	1	0	0	0		0	0	0	0
III A	Wrong switch between Schemes	0	0	0	0	0	0		0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0	0		0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0	0		0	0	0	0
III D	Wrong or excess charges/load	0	0	0	0	0	0		0	0	0	0
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc	0	5	5	0	0	0		0	0	0	0
IV	Others	0	179	177	0	0	0		2	0	0	0
	<b>Total</b>	<b>1</b>	<b>984</b>	<b>952</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>33</b>	<b>0</b>	<b>0</b>	<b>0</b>

# including against its authorized persons/ distributors/ employees. etc.

\*Non actionable means the complaint that are incomplete / outside the scope of the mutual fund

For Tata Trustee Company Limited,

**S. M. Datta**  
**Chairman**

Place: Mumbai

Date: 20th July 2010

Encl. Schemewise Audited Accounts and Auditor's Report

**Abbreviations of the Scheme Name:**

TDYF - Tata Dividend Yield Fund\*

\* These schemes 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 LIMITED

We have audited the attached Balance Sheet of **TATA MUTUAL FUND – TATA DIVIDEND YIELD FUND** ("the Fund") as at 31st March, 2010 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) The Fund does not hold any non-traded securities.
- f) Without qualifying our opinion, we draw attention to Note No. 14 of Schedule IX Part B wherein the Managements of the Tata Asset Management Limited and Tata Trustee Company Limited have explained their 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, 2010 and
  - (ii) in the case of the Revenue Account, of the surplus of the Fund for the year ended on that date.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No. 117365W)

**Z.F. Billimoria**  
Partner  
(Membership No. 42791)

MUMBAI, 20th July, 2010



## Balance Sheet of Tata Dividend Yield Fund as at 31st March, 2010

	Schedule	As At 31-Mar-10 (Rupees)	As At 31-Mar-09 (Rupees)
<b>LIABILITIES</b>			
Unit Capital	I	621,628,910	660,401,281
Reserves & Surplus	II	759,616,563	114,345,917
Current Liabilities & Provisions	III	8,086,783	3,038,777
<b>TOTAL</b>		<b>1,389,332,256</b>	<b>777,785,975</b>
<b>ASSETS</b>			
Investments	IV	1,379,636,251	709,373,691
Deposits	V	-	20,000,000
Other Current Assets	VI	9,696,005	42,654,577
Deferred Revenue Expenditure	VII	-	5,757,707
<b>TOTAL</b>		<b>1,389,332,256</b>	<b>777,785,975</b>

Significant Accounting Policies and Notes to the Accounts IX

In terms of our report attached.  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

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

**Z. F. Billimoria**  
Partner

**Director**  
**Tata Asset Management Limited**

Mumbai, 20th July, 2010

**Authorised Signatory**                      **Fund Manager**

**Revenue Account of Tata Dividend Yield Fund  
for the year ended 31st March, 2010**

	Schedule	Year Ended 31-Mar-10 (Rupees)	Year Ended 31-Mar-09 (Rupees)
<b>INCOME</b>			
Dividend		33,283,580	26,795,498
Interest	VIII	1,303,904	1,742,157
Profit on sale/ redemption of investments		168,482,871	83,019,114
<b>TOTAL (A)</b>		<b><u>203,070,355</u></b>	<b><u>111,556,769</u></b>
<b>EXPENSES AND LOSSES</b>			
Loss on sale / redemption of investments		26,435,582	83,742,219
Management fees		14,100,165	11,854,372
Trusteeship fees		116,491	96,608
Commission to Agents (net of load utilised of Rs.Nil (previous year Rs.4,656,499))		5,820,892	-
Publicity expenses		3,325,594	7,950,459
Audit fees		193,025	176,480
Other operating expenses		2,004,836	1,965,659
Deferred revenue expenses written off	VII	5,757,707	8,874,160
Custodian fees & expenses		242,789	191,966
Registrar's fees & expenses		2,742,123	1,761,508
Provision / (Reversal) for diminution in value of investments		(181,051,507)	168,596,081
<b>TOTAL (B)</b>		<b><u>(120,312,303)</u></b>	<b><u>285,209,512</u></b>
Surplus / (Deficit) ( A - B )		323,382,658	(173,652,743)
Increase / (Decrease) in unrealised appreciation in value of investments		430,108,521	(253,209,563)
Surplus / (Deficit) after considering unrealised appreciation / (diminution) in value of investments		<u>753,491,179</u>	<u>(426,862,306)</u>
<b>Less: Income Equalisation Account</b>		(21,548,447)	(13,372,742)
		<u>731,942,732</u>	<u>(440,235,048)</u>
<b>Add : Surplus brought forward</b>		852,337,952	1,292,573,322
Surplus after adjustments		1,584,280,684	852,338,274
<b>Appropriations</b>			
Income Distribution		74,032,356	322
<b>Surplus carried forward</b>		<b><u>1,510,248,328</u></b>	<b><u>852,337,952</u></b>
Income (Gross) as a percentage to Average Net Assets		17.41	11.43
Recurring Expenses as a percentage to Average Net Assets		2.45	2.46

Significant Accounting Policies and Notes to the Accounts

IX

In terms of our report attached.  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

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

**Z. F. Billimoria**  
Partner

Director

Tata Asset Management Limited

Mumbai, 20th July, 2010

Authorised Signatory

Fund Manager

## Tata Dividend Yield Fund

	<b>As At 31-Mar-10 (Rupees)</b>	<b>As At 31-Mar-09 (Rupees)</b>
<b>Schedule I - Unit Capital</b>		
Initial Capital ( 402,288,529.200 Units of the face value of Rs. 10/- each)	<u>4,022,885,292</u>	<u>4,022,885,292</u>
<b><u>Unit Capital</u></b>		
Units Opening Balance ( 66,040,128.133 units (previous year 70,064,832.242 units) of the face value of Rs.10/- each)	660,401,281	700,648,322
<b><u>Add</u></b> : Units reissued during the year ( 5,572,397.199 units (previous year 1,890,454.191 units) of the face value of Rs.10/- each)	<u>55,723,972</u>	<u>18,904,542</u>
	716,125,253	719,552,864
<b><u>Less</u></b> : Units repurchased during the year ( 9,449,634.272 units (previous year 5,915,158.300 units) of the face value of Rs.10/- each)	94,496,343	59,151,583
Units Closing Balance ( 62,162,891.060 units (previous year 66,040,128.133 units) of the face value of Rs.10/- each)	<u><b>621,628,910</b></u>	<u><b>660,401,281</b></u>

**Tata Dividend Yield Fund**

	<b>As At 31-Mar-10 (Rupees)</b>	<b>As At 31-Mar-09 (Rupees)</b>
<b>Schedule II - Reserves &amp; Surplus</b>		
<b><u>Unit Premium Reserve</u></b>		
Opening Balance	(738,171,895)	(733,983,139)
<b><u>Less</u></b> : Deduction during the year	(13,155,576)	(4,188,756)
Closing Balance	<u>(751,327,471)</u>	<u>(738,171,895)</u>
<b><u>Accumulated Load</u></b>		
Opening Balance	179,860	4,289,392
<b><u>Add</u></b> : Collection during the year	515,846	546,967
	<u>695,706</u>	<u>4,836,359</u>
<b><u>Less</u></b> : Utilised towards agents commission	-	4,656,499
Closing Balance	<u>695,706</u>	<u>179,860</u>
<b>Revenue Account</b>	1,510,248,328	852,337,952
	<u><b>759,616,563</b></u>	<u><b>114,345,917</b></u>

## Tata Dividend Yield Fund

<b>As At</b> <b>31-Mar-10</b> (Rupees)	<b>As At</b> <b>31-Mar-09</b> (Rupees)
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### Schedule III - Current Liabilities & Provisions

#### Current Liabilities

Management Fees Payable	706,441	402,234
Trusteeship Fees Payable	104,293	85,075
Selling Commission / Brokerage	886,715	308,316
Advertisement & Publicity	2,970,562	17,154
Audit Fees	193,025	176,480
Custodian Fees & Expenses	29,322	15,359
Registrar's Fees & Expenses	259,788	202,664
Other Expenses	282,026	103,505
Repurchase amount payable	1,478,099	269,869
Inter-scheme dues	391,391	717,913
Income Distribution Payable	785,121	740,208
	<b><u>8,086,783</u></b>	<b><u>3,038,777</u></b>

**Tata Dividend Yield Fund**

<b>As At</b>	<b>As At</b>
<b>31-Mar-10</b>	<b>31-Mar-09</b>
(Rupees)	(Rupees)

**Schedule IV - Investments**  
(Market / Yield to maturity / Fair value)

Equity Shares	1,377,553,729	690,962,353
Preference Shares	-	1,447,871
Reverse Repos	2,082,522	16,963,467
	<b><u>1,379,636,251</u></b>	<b><u>709,373,691</u></b>

**Tata Dividend Yield Fund**

**As At**  
**31-Mar-10**  
(Rupees)

**As At**  
**31-Mar-09**  
(Rupees)

**Schedule V - Deposits**

Deposits with scheduled banks \*

-	20,000,000
<u>-</u>	<u>20,000,000</u>

\* Represents initial margin for Index Futures

## Tata Dividend Yield Fund

	<b>As At 31-Mar-10 (Rupees)</b>	<b>As At 31-Mar-09 (Rupees)</b>
<b>Schedule VI - Other Current Assets</b>		
Balances with banks in current account	7,426,343	5,194,420
Cheques on hand	253,500	-
Contract for sale of investments	-	36,000,013
Outstanding and accrued income	1,633,715	1,277,829
Inter-scheme dues	342,447	142,315
Others	40,000	40,000
	<b><u>9,696,005</u></b>	<b><u>42,654,577</u></b>



**Tata Dividend Yield Fund**

	<b>As At 31-Mar-10 (Rupees)</b>	<b>As At 31-Mar-09 (Rupees)</b>
<b>Schedule VII - Deferred Revenue Expenditure</b>		
Opening balance	5,757,707	14,893,642
<b>Less</b> : Excess provision written back	-	261,775
<b>Less</b> : Amount written off during the year	5,757,707	8,874,160
Amount deferred to subsequent years	<u>-</u>	<u>5,757,707</u>

**Tata Dividend Yield Fund**

<b>Year Ended 31-Mar-10 (Rupees)</b>	<b>Year Ended 31-Mar-09 (Rupees)</b>
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**Schedule VIII - Interest Income**

Discounted Securities	18,938	4,800
Reverse Repos	1,284,966	1,737,357
	<u>1,303,904</u>	<u>1,742,157</u>

# TATA MUTUAL FUND

## Schedule IX - Statement of significant accounting policies and Notes forming part of the Accounts of Tata Dividend Yield Fund (TDYF) for the year ended 31<sup>st</sup> March, 2010.

### 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. Investor related expenses viz: Registrar expenses, investor communications, investor meets etc. are allocated to the schemes in proportion to the number of live folios in the schemes.

#### 3. DEFERRED REVENUE EXPENDITURE:

Initial issue expenses are written off over a period of five years. The unamortised portion of the initial issue expenses Rs.Nil (previous year Rs.5,757,707/-) 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 investment at issue price plus acquisition cost, if any.
- c) Bonus entitlement is recognised on ex-bonus dates.
- d) Entitlement on sub-division of shares is recognised on Ex-date.

## 5. PORTFOLIO VALUATION FOR NAV CALCULATION

### i. **Traded Securities :**

Traded Securities are valued at year-end closing market rates on the National Stock Exchange of India Ltd 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 may be used for valuation purposes as per The Securities and Exchange Board of India (SEBI) regulation.

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 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. **Investment in Reverse Repo:**

Investment bought on 'repo' basis are valued at cost plus accrued interest..

### iv. **Investment in CBLO:**

Investments in CBLO are valued at cost plus amortisation.

### 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, 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. The loss on investments sold or transferred during the period or year is charged to the revenue account instead of being first adjusted against the provision for depreciation, if already created in the previous year. However, this departure from the Guidance Note does not have any impact on the scheme's net assets and the financial statements of the scheme. 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.

**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 considered for computation of the Net Asset Value. The accumulated load of Rs.Nil (previous year Rs.4,656,499/-) 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 31<sup>st</sup> March, 2010.**

1. The aggregate value of purchases and sales (including redemptions) of investments for the year ended 31<sup>st</sup> March, 2010 expressed as a percentage of average daily net assets is as under :

Particulars	As at 31-3-10		As at 31-3-09	
	Values* Rs.	%	Values* Rs.	%
Aggregate value of Purchases	573,772,494	49.18	440,795,482	45.15
Aggregate value of Sales ( including redemptions )	641,836,210	55.01	549,865,405	56.32

\* The amounts do not include CBLO and Reverse Repo transactions.

2. 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 31<sup>st</sup> March, 2010 of any scheme of the fund, in terms of Regulation 25 (11). (Refer Annexure 1).
3. Statement of Portfolio with industry wise classification as at 31<sup>st</sup> March, 2010. (Refer Annexure 2).
4. 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 at the rate of 0.0100% of the daily net assets (previous year : 0.0100% of the daily net assets). In addition to the trusteeship fees debited in the scheme's books for the year ended 31<sup>st</sup> March, 2010, additional trusteeship fees has been paid directly by Tata Asset Management Limited to Tata Trustee Company Limited to the extent of Rs. 465,965/-.
5. Contingent liabilities as on 31<sup>st</sup> March, 2010 are Rs.Nil (previous year Rs.Nil).
6. Disclosure under Regulation 25(8) of the SEBI (MF) Regulations, 1996 have been made in respect of brokerage and commission paid to parties associated with sponsors in which the Asset Management Company or its major shareholders have a substantial interest as per SEBI Circular dated 15<sup>th</sup> March, 2010. (Refer Annexure 3).
7. Investments made in group / associate companies. (Refer Annexure 4).

8. Disclosure under Regulation 25(8) of the SEBI (MF) Regulations 1996 have been made in the table below in respect of other payments made 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	2009 – 2010 Rs.	2008 – 2009 Rs.	% equity capital held by the sponsors & its subsidiary/associates as at 31 <sup>st</sup> March, 2010
Tata Asset Management Limited	Management Fees	14,100,165	11,854,372	100%*
Tata Trustee Company Limited	Trusteeship Fees	116,491	96,608	100%**

\* 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 on 31-03-10		As on 31-03-09	
Face Value	10.00		10.00	
Net Asset Value	Dividend Growth	20.3396 28.5700	Dividend Growth	11.0400 14.0157

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

Particulars	2009 – 2010 Rs.	2008 – 2009 Rs.
Unrealised appreciation	481,542,781	51,434,260
Unprovided diminution	NIL	NIL

11. There are no unit holders holding over 25% of the Net Asset Value of the Scheme as at 31<sup>st</sup> March, 2010.
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<sup>th</sup> November, 2000. As at 31<sup>st</sup> March, 2010 the unclaimed redemption amount is Rs.1,197,816/- for 43 investors (previous year Rs. 1,277,747/- for 44 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 on 31<sup>st</sup> March, 2010 reverse repos aggregating to Rs.2,082,522/- (previous year Rs.16,963,467/-) are held in the name of Tata Trustee Company 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 only on the basis of The Securities and Exchange Board of India ( SEBI )Regulations.
15. No provision for income tax has been made since the income of the schemes is exempt u/s 10(23D) of the Income Tax Act 1961.
16. The figures for the previous year have been regrouped and reclassified wherever necessary to conform with the current year figures.

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

**Director**

**Tata Asset Management Limited**

**Authorised Signatory                      Fund Manager**



Market Value of investments made in each companies which have invested more than 5% of the net assets of a scheme and investments made by that or any other scheme of Tata Mutual Fund in such company or its subsidiaries within one year of the latter investment calculated on either side in terms of regulation 25 (11) as on 31st March, 2010 :

COMPANY WHICH HAS INVESTED	SCHEMES IN WHICH COMPANIES HAVE INVESTED MORE THAN 5% OF THE NET	SCHEMES WHICH HAVE INVESTED	AGGREGATE COST OF ACQUISITION DURING THE PERIOD ENDED 31ST MARCH 2010	OUTSTANDING AS AT 31ST MARCH 2010 AT FAIR /MARKET VALUE RS		
BHARTI AIRTEL LTD	TFF	TCF	42,985,820.00	71,737,000.00		
		TSEF	6,144,390.00	49,904,000.00		
		TBF	14,413,639.00	0.00		
		TEMF	18,889,043.00	48,344,500.00		
		TEOF	157,787,456.60	82,653,500.00		
		TEQPEF	148,838,812.00	124,760,000.00		
		TGEIFA	2,383,156.40	0.00		
		TGEIFB	20,460,595.50	0.00		
		TIFN	824,434.02	2,479,459.15		
		TIFS	2,052,258.52	2,071,016.00		
		TIGIF	279,617,487.50	224,568,000.00		
		TISF	385,518,447.00	461,612,000.00		
		TITSF	11,317,314.10	4,678,500.00		
		TLSTF	0.00	16,218,800.00		
		TOIS	0.00	62,380,000.00		
		TOIOS	173,326,987.00	1,060,460,000.00		
		TSIF	18,172,309.00	0.00		
		TSRTA1	2,507,261.59	2,283,731.80		
		TSRTB1	200,373.50	184,021.00		
DABUR INDIA LTD	TFIPB3	TCBF	13,841,266.00	0.00		
		TFRSTF	99,277,600.00	0.00		
		TOIOS	105,711,266.93	0.00		
		TPEF	41,523,799.00	0.00		
		HINDALCO INDUSTRIES LTD	TFIPB3	TCF	0.00	64,892,701.40
				TSEF	0.00	54,510,000.00
				TBF	33,524,650.00	32,706,000.00
				TEOF	36,917,117.00	36,340,000.00
				TEQPEF	32,782,922.41	94,484,000.00
				TIFN	490,534.42	1,518,875.00
TIFS	542,254.37			1,194,859.20		
TIGIF	120,904,052.00			127,190,000.00		
TISF	102,023,437.00			109,020,000.00		
TOIOS	0.00			1,648,278,467.60		
TPEF	45,987,253.00	45,425,000.00				
HINDUSTAN ZINC LTD	TFF	TCF	0.00	36,094,500.00		
		TFIPB3	0.00	36,094,500.00		
		TEQPEF	0.00	108,283,500.00		
		TISF	218,400,738.98	259,554,346.35		
		TMCF	0.00	18,047,250.00		
		TOIOS	0.00	541,417,500.00		
ICICI HOME FINANCE CO LTD	TTMF	TFF	289,953,913.20	0.00		
		TFHA75	997,063.75	0.00		
		TFHA78	20,000,000.00	0.00		
		TFHA79	150,000,000.00	0.00		
		TFHA82	9,998,410.80	0.00		
		TFHA85	750,000,000.00	757,992,371.78		
		TFHA86	50,312,200.00	50,532,824.79		
		TFIF4A	43,708,250.77	0.00		
		TFIF4B	133,087,892.08	0.00		
		ITC LTD	TFIPC3	TCBF	50,413,523.00	0.00
TFIPB3	TBF	42,564,147.00	0.00			
		TEMF	114,644,455.10	0.00		
		TEOF	131,832,677.00	0.00		
		TIFN	3,552,755.88	4,499,996.35		
		TIFS	1,937,212.18	3,428,844.50		
		TMIF	1,373,604.90	0.00		
		TMPF	6,961,878.60	0.00		
		TOIOS	401,460,697.50	447,355,000.00		
		TSIPF2	15,972,390.70	0.00		
		TSRTA1	4,514,114.04	4,656,965.55		
		TSRTB1	300,457.14	304,727.70		
		TTAF1	30,023,551.00	47,367,000.00		
		TPEF	184,054,634.00	0.00		
		TTSF	30,023,551.00	49,998,500.00		
		TYCF	0.00	19,736,250.00		
LARSEN & TOUBRO LTD	TFIPB3	TCBF	14,285,391.00	22,768,900.00		
		TCF	11,371,288.00	13,010,800.00		
		TSEF	14,222,195.00	16,263,500.00		
		TBF	50,929,688.00	56,502,651.70		
		TEMF	16,238,216.00	28,461,125.00		
		TEOF	78,317,194.00	73,185,750.00		
		TGEIFA	0.00	8,944,925.00		
		TGEIFB	9,557,631.00	51,311,342.50		
		TIFN	4,675,784.06	6,301,604.40		
		TIFS	2,653,546.58	4,355,365.30		
		TIGIF	152,431,335.20	494,573,035.00		
		TISF	741,061,211.68	734,900,400.85		
		TITSF	9,506,171.56	6,505,400.00		
		TMIF	3,798,511.70	0.00		
		TMPF	11,426,316.60	0.00		
		TOIS	37,690,580.20	40,658,750.00		
		TOIOS	335,285,453.00	357,797,000.00		
		TSIPF2	0.00	19,605,649.25		
TSRTA1	4,209,286.73	4,296,816.70				

COMPANY WHICH HAS INVESTED	SCHEMES IN WHICH COMPANIES HAVE INVESTED MORE THAN 5% OF THE NET	SCHEMES WHICH HAVE INVESTED	AGGREGATE COST OF ACQUISITION DURING THE PERIOD ENDED 31ST MARCH 2010	OUTSTANDING AS AT 31ST MARCH 2010 AT FAIR /MARKET VALUE RS
		TSRTB1	199,057.94	204,920.10
		TTAF1	10,715,709.55	21,955,725.00
		TPEF	90,844,659.50	87,009,725.00
		TTSF	10,715,709.55	28,786,395.00
		TYCF	0.00	19,841,470.00
MARUTI SUZUKI INDIA LTD	TFIPB3	TSEF	12,234,106.20	0.00
		TEMF	37,997,618.00	0.00
		TEOF	31,367,306.00	0.00
		TIFN	222,481.01	1,303,096.05
		TIFS	560,216.37	1,039,454.10
		TOIOS	168,206,279.00	0.00
		TPEF	52,646,343.00	0.00
PATNI COMPUTER SYSTEMS LTD	TFIPC3	TCBF	46,985,840.80	53,515,000.00
		TCF	0.00	48,163,500.00
		TSEF	9,216,588.00	71,060,963.05
		TDYF	0.00	48,163,500.00
		TBF	83,649,936.25	62,880,125.00
		TEOF	46,500,638.00	53,515,000.00
		TEQPEF	0.00	92,313,375.00
		TLSTF	0.00	38,798,375.00
		TMPF	8,305,498.00	8,027,250.00
		TOIOS	146,551,172.50	160,545,000.00
		TSIF	10,568,746.58	55,227,480.00
		TTAF1	30,482,098.40	33,179,300.00
		TPEF	46,500,638.00	0.00
		TTSF	30,482,098.40	33,179,300.00
PERSISTENT SYSTEMS LTD	TFIPC3	TSEF	210,490.00	210,490.00
		TBF	416,330.00	416,330.00
		TEOF	713,930.00	713,930.00
		TEQPEF	681,070.00	681,070.00
		TLSTF	88,040.00	88,040.00
		TMIF	66,650.00	66,650.00
		TOIOS	4,768,110.00	4,768,110.00
		TSIF	212,350.00	212,350.00
		TPEF	853,120.00	853,120.00
		TTSF	203,670.00	203,670.00
POLARIS SOFTWARE LAB LTD	TFIPC3	TCBF	37,815,878.00	32,890,000.00
		TEQPEF	158,041,342.76	148,005,000.00
		TGF	15,424,188.00	14,800,500.00
		TMCF	25,818,149.00	24,667,500.00
		TSIF	47,041,176.00	45,223,750.00
		TSIPF1	58,509,878.80	0.00
		TYCF	0.00	0.00
TATA CONSULTANCY SERVICES LTD	TTMF	TIFN	1,020,252.48	2,563,654.60
	TFIPC3	TIFS	1,189,383.15	2,203,417.60
		TYCF	0.00	21,637,529.60
TATA STEEL LTD	TFF	TDYF	4,365,000.00	0.00
		TBF	28,438,473.00	0.00
		TEOF	25,018,473.00	0.00
		TEQPEF	3,150,000.00	0.00
		TIFN	1,090,448.03	2,541,473.05
		TIFS	979,562.44	1,915,664.20
		TISF	712,183,270.19	0.00
		TOIOS	98,100,000.00	0.00
		TSRTA1	2,006,226.88	2,482,518.60
		TTAF1	74,586,115.00	18,979,500.00
		TPEF	140,261,711.00	0.00
		TTSF	65,752,915.50	18,979,500.00
		TYCF	0.00	23,724,375.00
THE GREAT EASTERN SHIPPING CO LTD	TTMF	TEQPEF	42,116,410.00	44,100,000.00

These investments comprise of Equity and Debt instruments which are solely made on the basis of sound fundamentals of these companies.

	<b>Tata Dividend Yield Fund</b>				
	<i>Portfolio as at 31st March, 2010</i>				<u>Annexure 2</u>
	<b>Name of the Instrument</b>		<b>Market/ Fair Value(Rs)</b>	<b>% to NAV</b>	<b>% to Category</b>
<b>(I)</b>	<b>EQUITY SHARES</b>				
	<b>Consumer Non Durable</b>		<b>315,722,906</b>	<b>22.87</b>	<b>22.92</b>
	Hindustan Unilever Ltd.		95,480,000		
	GlaxoSmithKline Consumer Healthcare Ltd.		74,860,000		
	Navneet Publications India Ltd.		74,095,000		
	Nestle India Ltd.		52,837,906		
	Balrampur Chini Mills Ltd.		18,450,000		
	<b>Software</b>		<b>172,080,908</b>	<b>12.46</b>	<b>12.49</b>
	Patni Computer Systems Ltd.		48,163,500		
	Tata Elxsi India Ltd.		31,990,000		
	Infosys Technologies Ltd.		28,766,100		
	Niit Technologies Ltd.		24,732,558		
	Firstsource Solutions Ltd.		22,920,000		
	Mphasis Ltd.		15,508,750		
	<b>Auto</b>		<b>147,392,500</b>	<b>10.68</b>	<b>10.70</b>
	Hero Honda Motors Ltd.		97,127,500		
	Ashok Leyland Ltd.		50,265,000		
	<b>Finance</b>		<b>130,352,924</b>	<b>9.44</b>	<b>9.46</b>
	Crisil		100,699,924		
	India Infoline Ltd.		29,653,000		
	<b>Fertilizers</b>		<b>112,218,252</b>	<b>8.13</b>	<b>8.15</b>
	Tata Chemicals Ltd.		49,027,500		
	Deepak Fertilisers & Petrochemicals Corporation Ltd.		44,755,752		
	Chambal Fertilizer & Chemicals Ltd.		18,435,000		
	<b>Petroleum Products</b>		<b>71,070,339</b>	<b>5.15</b>	<b>5.16</b>
	Castrol India Ltd.		53,153,761		
	Indian Oil Corporation Ltd.		17,916,578		
	<b>Banks</b>		<b>60,903,115</b>	<b>4.41</b>	<b>4.42</b>
	South Indian Bank Ltd.		35,160,582		
	Central Bank Of India		25,742,533		
	<b>Pharmaceuticals</b>		<b>56,992,537</b>	<b>4.13</b>	<b>4.14</b>
	Glaxo Smithkline Pharmaceuticals Ltd.		56,992,537		
	<b>Media &amp; Entertainment</b>		<b>51,402,000</b>	<b>3.72</b>	<b>3.73</b>
	Sun TV Network Ltd.		51,402,000		
	<b>Gas</b>		<b>47,127,000</b>	<b>3.41</b>	<b>3.42</b>
	Gail India Ltd.		47,127,000		
	<b>Industrial Capital Goods</b>		<b>45,739,643</b>	<b>3.31</b>	<b>3.32</b>
	Thermax Ltd.		28,630,039		
	Bharat Electronics Ltd.		17,109,605		
	<b>Telecom - Equipment &amp; Accessories</b>		<b>44,682,000</b>	<b>3.24</b>	<b>3.24</b>
	HCL Infosystems Ltd.		44,682,000		
	<b>Paper</b>		<b>31,377,500</b>	<b>2.27</b>	<b>2.28</b>
	Tamilnadu Newsprint And Papers Ltd.		31,377,500		
	<b>Chemicals</b>		<b>26,209,663</b>	<b>1.90</b>	<b>1.90</b>
	Clariant Chemical		26,209,663		
	<b>Trading</b>		<b>23,743,509</b>	<b>1.72</b>	<b>1.72</b>
	3M India Ltd.		23,743,509		
	<b>Cement</b>		<b>23,000,500</b>	<b>1.67</b>	<b>1.67</b>
	Shree Cement Ltd.		23,000,500		
	<b>Auto Ancillaries</b>		<b>17,538,433</b>	<b>1.27</b>	<b>1.27</b>
	Exide Industries Ltd.		17,538,433		
	<b>TOTAL (COST : Rs. 966,371,678)</b>		<b>1,377,553,729</b>	<b>99.78</b>	<b>100.00</b>
<b>(II)</b>	<b>REVERSE REPO INVESTMENT</b>		<b>2,082,522</b>	<b>0.15</b>	<b>100.00</b>
	<b>TOTAL INVESTMENT (COST : Rs. 968,454,200)</b>	<b>(I+II)</b>	<b>1,379,636,251</b>	<b>99.93</b>	<b>100.00</b>

**Commission Paid to Associate Brokers related parties group companies of sponsor / AMC**

**ANNEXURE - 3**

Scheme	Name of Associate Broker / related parties/group companies of sponsor/AMC	Nature of Association / Nature of relation	Period Covered	Business given (Rs. & % of total business received by the fund)		Commission paid (Rs. & % of total commission paid by the fund)	
				Business given Rs.	% of total business received by the fund	Gross Commission Paid Rs.	% of total Commission paid by the fund
TDYF	Tata Securities Limited	Group Company	2009-2010	198,323.25	0.15	33,717.32	0.60
	Tata Securities Limited	Group Company	2008-2009	128,778.72	0.34	30,189.72	0.64

**Brokerage Paid to associates / related parties / group companies of Sponsor /AMC**

**ANNEXURE 3.....(Cont'd)**

Scheme	Name of associate / related parties / group companies of sponsor/AMC	Nature of Association / Nature of relation	Period Covered	Value of transaction(in Rs. & % of total value of transaction of the fund)		Brokerage(Rs & % of total brokerage paid by the fund)	
				Value of transaction in Rs.	% total value of transaction of the fund	Gross Brokerage Paid Rs.	% of total brokerage paid by the fund
TDYF	Amit Nalin Securities Private Limited	Associate Broker	2009-2010	10,844,870.65	0.90	21,526.50	0.89
	Amit Nalin Securities Private Limited	Associate Broker	2008-2009	380,819.80	0.04	755.98	0.04
	Tata Securities Limited	Associate Broker	2009-2010	18,584,647.00	1.54	37,000.00	1.54
	Tata Securities Limited	Associate Broker	2008-2009	25,414,806.00	2.57	50,000.00	2.54

## Key Statistics for the year ended 31st March, 2010

	TDYF	
	31-Mar-10	31-Mar-09
1. Net Asset Value per unit Rs.		
Open	D - 11.04 G - 14.0157	D - 16.9199 G - 21.5482
High	D - 20.339 G - 28.5693	D - 18.987 G - 24.181
Low	D - 11.1067 G - 14.1004	D - 9.5834 G - 12.1665
End	D - 20.3396 G - 28.57	D - 11.04 G - 14.0157
2. Closing Assets Under Management (Rs. in Lakhs)		
End	13,805.51	7,745.69
Average (AAuM)	11,667.03	9,762.54
3. Gross income as % of AAuM <sup>1</sup>	17.41%	2.85%
4. Expense Ratio:		
<b>a. Total Expense as % of AAuM (plan wise)</b>	D - 2.45% G - 2.45%	D - 2.50% G - 2.50%
<b>b. Management Fee as % of AAuM (plan wise)</b>	D - 1.21% G - 1.21%	D - 1.21% G - 1.21%
5. Net Income <sup>2</sup> as a percentage of AAuM <sup>3</sup>	27.72%	-0.52%
6. Portfolio turnover ratio <sup>4</sup>	49.18	45.15
7. Total Dividend / Bonus per unit distributed during the year / period (plan wise) (Rs.)	1.50	0.00
8. Returns:		
<b>a. Last One Year</b>		
<b>Scheme</b>	103.82	-34.95
<b>Benchmark</b>	BSE SENSEX	
	80.54	-37.94
<b>b. Since Inception</b>		
<b>Scheme</b>	21.65	8.06
<b>Benchmark</b>	BSE SENSEX	
	22.30	11.84

1. Gross income = amount against (A) in the Revenue account i.e. Income.
2. Net income = amount against (C) in the Revenue account i.e. NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD
3. AAuM=Average daily net assets
4. Portfolio Turnover = Lower of sales or purchase divided by the Average AuM for the year/period.
5. Inception Dates: TDYF : 22/11/2004.
6. Past Performance may or may not be sustained in the future

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**Statutory Details: Constitution :** Tata Mutual Fund (TMF) has been set up as a Trust under the India Trusts Act, 1882. **Sponsors & Settlers:** Tata Sons Limited and Tata Investment Corporation Limited. **Trustee :** Tata Trustee Company Limited. **Investment Manager:** Tata Asset Management Limited. **Risk Factors • All investments in Mutual Fund & securities are subject to market risks & the NAV of the units issued under the schemes can go up or down depending on the factors & forces affecting the capital markets • Mutual Fund & securities investments are subject to market risks & there can be no assurance & no guarantee that the objectives of the scheme will be achieved •** Past performance of the previous scheme, the Sponsors or its group affiliates is not indicative of & does not guarantee the future performance of the schemes • **The above is only the name of the scheme & does not in any manner indicate either the quality of the scheme, it's future prospects or the returns •** The Sponsors are not responsible or liable for any loss resulting from the operations of the Mutual Fund beyond the contribution of an amount of Rs.1 lac made by them towards setting up of the Mutual Fund. Investments in debt securities are subject to interest rate risk, credit risk & liquidity risk • The present scheme are not guaranteed or assured return schemes • Investment in mutual fund units involves investment risk such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of capital.

**Scheme Specific Risk Factors :** • Tata Mid Cap Fund - Trading Volumes and Settlement Periods may restrict liquidity in equity and debt investments. In case of mid cap companies such liquidity risks is likely to be high. Further prices of stock in mid - cap companies are also likely to be more volatile. • Tata Index Fund -Tracking errors are inherent in any indexed fund and such errors may cause the Scheme to generate returns which are not in line with the performance of the Nifty/SENSEX or one or more securities covered by / included in the Nifty/SENSEX. • Tata Dividend Yield Fund - Risk associated with high dividend yield stocks: Though the investments would be in companies having a track record of dividend payments, the performance of the scheme would interalia depend on the ability of these companies to sustain dividends in future. • Tata Life Sciences & Technology Fund - The scheme, being a sector specific scheme, will be affected by the risks associated with Life Sciences & Technology sectors. • Investment in fixed income securities are subject to interest rate risk, credit risk and liquidity risk. • Pursuant to allotment of bonus units the NAV of the schemes would fall in proportion to the bonus allotted and as a result the total value of units held by the investor would remain same. • **Kindly refer Scheme Information Document (SID), Statement of Additional Information (SAI) & Key Information Memorandum (KIM) of the scheme for applicable loads. For scheme specific risk factors & other details please read the SID/SAI/KIM of the scheme carefully before investing.**

**WEST ZONE:** **Mumbai:** Tata Asset Management Ltd., Mulla House, Ground Floor, 51, M.G. Road, Near Flora Fountain, Mumbai - 400001. Tel.: 022-66315191/92/93, Fax: 022- 66315194. **Borivali:** Ground Floor, Shop No. 8, Victor Park, Behind Indryani Saree Shop, Chandarvarkar Road, Borivali (West), Mumbai - 400 092. Tel.: 022-65278852. **Ahmedabad:** 402, 'Megha House', Mithakhali - Law Garden Road, Netaji Marg, Ahmedabad - 380 006. Tel.: 079- 6541 8989/ 6544 7799. Fax: 079-2646 6080. **Pune:** Tata Asset Management Ltd., Office No 33, 3rd Floor, Yashwant, Opp Lane No. 9, Prabhat Road, Pune – 411 004 Tel: (020) 41204949, Fax: (020) 4120 4953. **Surat:** 421, Jolly Plaza, Near Collector Office, Next to G.P. College, Athwa Gate, Surat - 395 001. Tel.: 0261-6554418 / 19, Fax: 0261-2470326. **Vadodara:** 202- 203 Madhav Complex, RC Dutt Road, GEB Circle, Alkapuri, Vadodara - 390 007. Tel.: 0265-6641888/2356114, Fax: 0265-6641999. **Rajkot:** Arhant Plaza, 201, 2nd Floor, Subhas Road, Near Moti Taki, Rajkot - 360001. Tel.: 0281-6624848/6544949. **Indore:** G-25, City Centre, 507 M.G. Road, Indore - 452 001. Tel.: 0731-4201806, Fax 0731-4201807. **Bhopal:** Tata Asset Management Ltd., MF-12, Block-A, Mansarovar Complex, Near Habiganj Railway Station, Bhopal - 462 016. Tel.: 0755- 4229379 / 4273914 / 2574198. **Nashik:** 5, Samriddhi Residency, Opp Hotel City Pride, Tilakwadi, Nashik - 422 002. Tel.: 0253-6605138 / 0253-6510315, Fax: 0253-2579098. **Goa:** Tata Asset Management Ltd, FO-4, 1st Floor, Indraprastha, Above Dena Bank, Dr Shirgaonkar Road, Panjim. Goa-403001. Tel.: 0832 - 6451135/36/2422135, Fax: 0832-2422135. **Jabalpur:** TATA Asset Management Ltd., Office No. 4, 1178, Napier Town, Home Sciences College Road, Jabalpur - 482 001(M.P). Tel.: 0761-4074263. **Nagpur:** "Mile Stone", 1st Floor, Near Lokmat Square, Wardha Road, Ramdaspath, Nagpur - 440 010, Tel.: 0712-650 2885 / 663 0425.

**EAST ZONE:** **Bhubaneswar:** Janpath Tower, Room-208, 2nd Flr, Ashok Nagar, Bhubaneswar - 751009. Tel.: 0674-2533818. **Dhanbad:** 4th flr, Room No-409, Shriram Plaza, Bank More, Dhanbad - 826 001. Tel.: 9234302478/0326-2300304. **Durgapur:** A 206, 1st Flr, Kamdhenu Bengal Shristi Complex, City Centre, Durgapur - 713 216. Tel.: 0343 - 6454797. **Guwahati:** 109, 1st Flr, Orion Tower, Christian Basti, G S Road, Guwahati - 781 005 (Assam). Tel.: 0361-2343084. **Kolkata:** Tata Centre, 1st Floor, 43, J L Nehru Road, Kolkata - 700 071. Tel.: 033-22883413/5, 22881534. Fax: 033-22881535. **Jamshedpur:** C/o Mithila Motors Ltd, 1st Floor, Bistupur, Jamshedpur - 831 001. Tel.: 0657-2756021/22/23/30. **Raipur:** 331 & 332, 3rd Flr, Lalganga Shopping Mall, G E Road, Raipur - 492 001 (Chhattisgarh). Tel.: 0771-2543354. **Ranchi:** 2nd floor, Shop no. 23 A, A.C. Market, G.E.L. Church Complex, Main road, Ranchi - 834 001 (Jharkhand). Tel.: 0651-2330704/2330226. **Patna:** 605, 6th Flr, Ashiana Hariniwas, New Dak Bunglow Chowk, Patna - 800 001. Tel.: 0612-2206497/6450120. **Bhilai:** Shop No.145, Ground Floor, Chauhan Estate, Near HDFC Bank, Bhilai - 490 001. Tel.: 0788-2295625.

**NORTH ZONE:** **Agra:** G-12, Block No.19/4, Vimal Tower, Sanjay Place, Agra - 282 002. Tel.: 0562-2525195. **Allahabad:** 43/1, S P Marg, 1st Floor, Opp. MAK Tower, Civil Lines, Allahabad (UP) - 211 001. Tel.: 0532-6451122. **Amritsar:** Mezzanine floor, S.C.O – 25, B Block, District Shopping Complex, Ranjit Avenue, Amritsar – 143 001. Tel.: 98140 82808. **Chandigarh:** Cabin No.3-4-5, 1st Floor, Meeting Point, SCO - 487/488, Sector- 35C, Chandigarh - 160 022. Tel.: 0172 - 5087322 /6450322/2605320, Fax: 0172 - 2603770. **Dehradun:** Shop No. 19, Ground Floor, Shree Radha Palace, 78, Rajpur Road, Dehradun-248001, Uttarakhand. Tel.: 0135-6450877. **Jaipur:** 233, 2nd Floor, Ganpati Plaza, M I Road, Jaipur - 302 001. Tel: 0141 - 2389387 Fax: 0141 - 5105178. **Kanpur:** 4th floor, Office no. 412 - 413, KAN Chambers, 14 / 113, Civil Lines, Kanpur - 208 001. Tel.: 0512 - 2306066, Fax: 0512 - 2306065. **Delhi:** 7th Floor, No. E - H, Vandana building, 11, Tolstoy Marg, Connaught Place, New Delhi 110 001. Tel.: 011-66324111/102/103/104/105, Fax: 011-66303202. **Lucknow:** Office No.2, Saran Chambers-I, 1st Floor, 5, Park Road, Lucknow - 226 001. Tel.: 0522-6452432/4001731, Fax: 0522-2235386. **Ludhiana:** Cabin No. 201, 2nd. Floor, SCO 18, Opp Ludhiana Stock Exchange, Feroze Gandhi Market, Ludhiana - 141 001. Tel.: 0161 - 5089667/6503366, Fax: 0161-2413498. **Moradabad:** Tata Asset Management Ltd., Ground floor, Near Hotel Rajmahal, Civil Lines, Moradabad – 244 001, Tel.: 0591 - 2410667, 6535002. **Jodhpur:** Jaya Enclave, 79/4, Opp IDBI Bank, 1st A Road, Sardarpura, Jodhpur - 342 001. Tel.: 0291-6450555/2631257, Fax: 0291-2631257. **Udaipur:** Office No - 4, 2nd Floor, Madhav Appartment, Opp GPO, Chetak Circle, Udaipur - 313 001. Tel.: 0294 - 6450979/ 2429371, Fax: 0294-2429371. **Varanasi:** D-64/127, C-H Arihant Complex, Sigra, Varanasi - 221010 Tel.: 0542 - 6544655. **Jalandhar:** 2nd Floor, Above ING Vyasya Bank, Namdev Chowk, Jalandhar 144 001 Tel.: 0181-5001024/25.

**SOUTH ZONE:** **Bangalore:** 4/6, Millers Road, High Grounds, Bangalore – 560 052. Tel.: 080-66561313 / 65335986 / 65335987, Fax: 080-22370512. **Calicut:** C-8 & 9, Friends Commercial Complex, Near Federal Towers, Arayadathu Palam, Mavoor Road, Calicut - 673016. Tel.: 0495-6450508. **Chennai:** TATA Asset Management Ltd, Riaz Garden, 3rd Floor, No:29, Kodambakkam High Road, Near Palmgrove Hotel, Nungambakkam, Chennai - 600 034. Tel.: 044-64541868/69/78, 64541863/64. Fax: 044-43546313. **Cochin:** 2nd Floor, Ajay Vihar, JOS Junction, M. G. Road, Cochin - 682 016. Tel.: 0484 - 2377580, 6533107, 6467813/14/15/16. Fax: 0484 - 237 7581. **Coimbatore:** 551 A, 1st Floor, West Lokamaniya Street, Near CAMS, R. S. Puram, Coimbatore - 641 002. Tel.: 0422 - 6502133/44, 4365635, Fax: 2546585. **Hyderabad:** 3rd floor, Block B, R R Estate, G.S MALL, Somajiguda, Hyderabad-82. Tel.: 040-65961237/38 & 65548290, Fax: 040-66363187. **Hubli:** 15 & 16, 2nd floor, Eureka Junction, Travellers Bangalow Road, Above ICICI Bank, Hubli - 580 029. Tel.: 0836-6450342 Fax: 4251510. **Kottayam:** CSI Ascension Square, Collectorate P.O., Kottayam-686002. Tel.: 9447559230. **Mangalore:** Tata Asset Management Ltd., Essel Towers, 1st Floor, Bunts Hostel Circle, Above UTI Bank, Mangalore - 575 003. Tel.: 0824-6450308. **Madurai:** A- 1st Floor, A.R Plaza, No:16/17, North Veli Street, Madurai-625001. Tel.: 0452-6454330 Fax: 0452-4246315. **Mysore:** 847, 1st Floor, New Kantharaja Urs Road, Above New Krishna Sweets & Bakery, Kuvempu Nagar, Mysore - 570 023. Tel.: 0821-6450470 Fax: 4246676. **Salem:** Raj Towers, Ground Floor, No: 4, Brindavan Road, Fairlands, Salem - 636 016. Tel.: 0427-6451653 Fax: 4042028. **Thiruvananthapuram:** Krishna Tower, 4th Floor, Sasthamangalam, Trivandrum - 695 010 Tel.: 0471-6535431/2319139. **Trichy:** No.60/3, 'Krishna', 2nd Floor, Sastri Main Road, Tennur, Trichy - 620 017. Tel.: 0431-6455060. **Thrissur:** 4th Floor, Pathayappura buildings, Round South, Thrissur - 680 001. Tel.: 0487-6451286. **Vijaywada:** 5th Floor, KONA Heights, Opp. All India Radio, M. G. Road, Vijaywada - 520 010. Tel.: 0866-6532621. **Vishakhapatnam:** Door No. 47-15-14 & 15, Shop No: 102-B, Ground Floor, VRC Complex, Opp. TSR Complex, Beside Andhra Bank, Visakhapatnam – 530 016. Tel.: 0891 – 6451883 Fax: 0891-2503292.