



# **TATA** INVESTMENT CORPORATION LIMITED

*74th Annual Report  
2010-2011*

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**BOARD OF DIRECTORS :**
*(as on 31st March, 2011)*

Noel N. Tata (*Chairman*)  
 Mr. F.N. Subedar (*Vice-Chairman*)  
 Mr. A.B.K. Dubash  
 Mr. M.J. Kotwal (*Executive Director & Secretary*)  
 Mr. K.A. Chaukar  
 Mr. H.N. Sinor  
 Mr. P.P. Shah  
 Mr. A.N. Dalal (*Executive Director-Investments*)  
 Mr. Z. Dubash  
 Mr. A. Chandra

**Registered Office :**

Elphinstone Building,  
 10, Veer Nariman Road,  
 Mumbai - 400 001.  
 (Tel: 66658282 – Fax: 66657917)  
 e-mail: ticl@tata.com

**Principal Bankers :**

Catholic Syrian Bank Ltd.  
 HDFC Bank Ltd.

**Auditors :**

Deloitte Haskins and Sells  
 Chartered Accountants.

**Solicitors :**

Mulla & Mulla and Craigie, Blunt & Caroe

**Registrars & Share Transfer Agents :**

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

**Annual General Meeting on Friday, 8th July, 2011 at Walchand Hirachand Hall, IMC Building,  
 Churchgate, Mumbai - 400020 at 3.30 p.m.**

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

**TATA INVESTMENT CORPORATION LIMITED****NOTICE**

THE SEVENTY-FOURTH ANNUAL GENERAL MEETING OF TATA INVESTMENT CORPORATION LIMITED will be held at Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai 400 020, on Friday, the 8th day of July, 2011, at 3.30 p.m. to transact the following business :-

1. To receive and adopt the Directors' Report, the Audited Profit and Loss Account and the Cash Flow statement for the year ended 31<sup>st</sup> March, 2011, and the Balance Sheet as at that date.
2. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :-  
"RESOLVED that Mr. F. N. Subedar, who retires by rotation as a Director pursuant to the provisions of Section 256 of the Companies Act, be and is hereby re-appointed a Director of the Company."
3. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :-  
"RESOLVED that Mr. A.B.K. Dubash, who retires by rotation as a Director pursuant to the provisions of Section 256 of the Companies Act, be and is hereby re-appointed a Director of the Company."
4. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :-  
"RESOLVED that Mr. H.N. Sinor, who retires by rotation as a Director pursuant to the provisions of Section 256 of the Companies Act, be and is hereby re-appointed a Director of the Company."
5. To appoint Auditors and to fix their remuneration.

**NOTES :**

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- b) The Register of Members and the Transfer Books of the Company will remain closed from Friday, 1st July, 2011 to Friday, 8th July, 2011, both days inclusive.
- c) Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/unpaid dividends upto the financial year ended 31<sup>st</sup> March, 1998 have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not yet encashed their dividend warrants for the said period, are requested to forward their claims in the prescribed Form No.II to the Registrar of Companies, Central Government Office Bldg., 'A' Wing, 2<sup>nd</sup> floor, Next to Reserve Bank of India, CBD Belapur 400 614.

Pursuant to Section 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (the Fund) set up by the Government of India and no payments shall be made in respect of any such claims by the Fund. Members who have not yet encashed their dividend warrant(s) for the financial year ended 31<sup>st</sup> March, 2005 onwards, are requested to make their claims to the Company accordingly, without any delay.

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

**M.J. KOTWAL**  
Executive Director & Secretary.

Mumbai, 10th May, 2011

Registered Office :  
Elphinstone Building  
10 Veer Nariman Road  
Mumbai 400 001.

**Details of the directors seeking re-appointment at the forthcoming Annual General Meeting - Clause 49 of the Listing Agreement**

Name of the Director	Mr. F.N. Subedar	Mr. A.B.K. Dubash	Mr. H.N. Sinor
Date of Birth	24.09.1955	22.09.1943	05.12.1944
Date of Appointment	11.03.2005	28.08.1984	01.04.2005
Expertise in specific functional areas	Taxation, Accounts and Finance	Business & Industry	Banking, Finance and Investments
Qualifications	B.Com, A.C.A., A.C.S.	Businessman	B.Com., LL.B.
No. of Shares held in the Company (as on 31.3.2011)	1,961 Ordinary Shares	2,172 Ordinary Shares	Nil
Directorships held in other companies (excluding private and foreign cos.) (as on 31.3.2011)	Tata Services Ltd. Ewart Investments Ltd. Pantone Finvest Ltd. Tata Consulting Engineers Ltd. Tata Petrodyne Ltd. Tata Sky Ltd. Tata AIG General Insurance Co. Ltd. TS Investments Ltd. Tata Capital Ltd. Tata Capital Financial Services Ltd.		3i Infotech Ltd. ICICI Venture Funds Management Co. Ltd. ICICI Lombard General Insurance Co. Ltd. CRISIL Ltd. Sahara India Financial Corporation Ltd. Themis Medicare Ltd. Tata Capital Ltd. Tata Motors Finance Ltd. Zoroastrian Co- operative Bank Ltd. Tata Capital Financial Services Ltd.
Position held in mandatory committees of other companies	Tata Services Ltd. (Chairman: Audit Committee) Tata Consulting Engineers Ltd. (Chairman: Audit Committee) Tata Capital Ltd. (Member: Audit Committee) Ewart Investments Ltd. (Chairman: Audit Committee) Tata Petrodyne Ltd. (Member: Audit Committee) Tata Sky Ltd. (Chairman : Audit Committee) (Member: Share Transfer & Allotment Committee)		ICICI Venture Funds Management Co. Ltd.) (Member: Audit Committee) ICICI Lombard General Insurance Co. Ltd. (Member: Audit Committee) CRISIL Ltd.(Chairman: Audit Committee) Sahara India Financial Corporation Ltd. (Member: Audit Committee) Themis Medicare Ltd. (Member: Audit Committee) Tata Capital Ltd. (Member: Audit Committee) Tata Motors Finance Ltd. (Chairman: Audit Committee) Zoroastrian Co-operative Bank Ltd.(Chairman: Audit Committee)

## DIRECTORS' REPORT

TO

THE MEMBERS,

The Directors present their Seventy-fourth Annual Report with the Audited Statement of Accounts for the year ended 31st March, 2011.

**2. FINANCIAL RESULTS :**

	Rupees (in crores)	Previous Year Rupees (in crores)
Total Income .....	247.28	232.62
Profit before tax .....	234.47	222.81
Less: Provision for tax .....	35.88	28.89
Profit after tax .....	198.59	193.92
Balance brought forward from the previous year .....	194.22	131.86
Amount available for appropriation .....	392.81	325.78
The Directors have made the following appropriations -		
Interim Dividend on Ordinary Shares .....	77.18	62.02
Tax on Dividend .....	12.82	10.54
Reserve Fund .....	40.00	39.00
General Reserve .....	20.00	20.00
	150.00	131.56
leaving a balance to be carried forward of .....	242.81	194.22

**3. OPERATIONS :**

The total income of the Company during the year was Rs.247.28 crores against Rs.232.62 crores in the previous financial year. The increase in total income was mainly due to increase in dividends received on investments, interest income and other miscellaneous income. The total expenditure during the year increased mainly due to increase in staff costs and other miscellaneous expenses during the year.

The profit before tax for the year under review was higher at Rs.234.47 crores against Rs.222.81 crores in the previous year. The profit after tax for the year under review was marginally higher at Rs.198.59 crores compared to Rs.193.92 crores in the previous year. There was a higher provision for taxation of about Rs.35.88 crores as compared to Rs.28.89 crores in the previous year, commensurate with the increase in the rate of Minimum Alternate Tax from 17% to 20% approximately, applicable primarily to profit on sale of long term investments.

The basic and diluted earnings per share (EPS) computed in accordance with the Accounting Standard 20 issued by the Institute of Chartered Accountants of India was Rs.41.17 per share and Rs.39.65 per share respectively as against Rs.49.64 and Rs.39.35 per share respectively, for the previous year.

#### 4. DIVIDEND :

An interim dividend of Rs.16.00 per share (previous year: Rs.15.00 per share) was paid towards the end of the financial year in February, 2011 on the Company's paid-up Ordinary Share Capital of Rs.48.24 crores to those shareholders whose names stood on the Register of Members on the record date i.e. 8th February, 2011. Accordingly, the Directors have decided not to recommend any final dividend for the year 2010-2011.

#### 5. INVESTMENT PORTFOLIO :

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

	31.03.2011 Rupees (in crores)	As on 31.03.2010 Rupees (in crores)
<b>QUOTED INVESTMENTS (Long Term and Current) -</b>		
Net Book value .....	931.06	761.63
Market value .....	3304.29	2823.46
<b>UNQUOTED INVESTMENTS (including Mutual Funds and application money)-</b>		
Net Book value .....	359.82	543.89
Estimated value (please see para below) .....	754.24	814.61
<b>TOTAL BOOK VALUE</b>		
Net Book value of all investments .....	1290.88	1305.52
<b>TOTAL MARKET VALUE</b>		
Total market value of quoted investments and estimated value of unquoted investments (subject to tax as applicable) .....	4058.53	3638.07
<b>BANK DEPOSITS AND INTERCORPORATE DEPOSITS .....</b>	330.50	217.00
<b>TOTAL NUMBER OF COMPANIES (excluding mutual funds) .....</b>	205	197

The Net Asset Value (NAV) of the Company's equity share, as computed by the management, was Rs.910 before tax (Rs.795 after tax) per share as on 31<sup>st</sup> March, 2011. The NAV is computed on the basis of the market value of quoted investments, NAVs of unquoted mutual funds, most of the other equity investments in unlisted companies taken on the basis of the last available independent valuations based on the balance sheets available as at 31<sup>st</sup> March, 2010, and the relatively small balance of unquoted investments taken at respective book values.

A provision for diminution in value of investments of Rs.1.32 crores, no longer required, has been written back to the Securities Premium Account. Members attention is invited to Note 2 to the Notes to Accounts.

The Directors confirm that all the investments held by the Company, except those held as 'Current Investments', are long term investments and would normally be held for more than one year from the date of acquisition, unless otherwise decided in specific cases. Investment in the category of 'Current Investments' which, for accounting and other purposes, is so classified at the time of making the investment and is indicated separately in the list of investments shown in the relevant schedule in the Balance Sheet.

The Company continues to invest in Tata and non-Tata companies, both in the listed and unlisted categories, though investments in Tata companies generally constitute a larger proportion and are of a longer term and strategic nature .

## 6. MANAGEMENT DISCUSSION & ANALYSIS :

The Indian economy registered a healthy growth of 8.60% in 2010-11 vis-à-vis 8.00% in 2009-10. Higher growth was achieved despite a slight slow-down witnessed during the second half of the year, particularly in the industrial sector. Credit growth not supported by commensurate deposit growth created considerable liquidity pressures in the Banking system in the second half of the year, with one year Bank FD rates crossing 10.00% in March 2011.

In spite of a fragile global economic recovery and rupee appreciation (of about 4% against the dollar), exports grew by 37.50%, exceeding USD 245 Billion - especially in value-added exports-which aided the performance of the economy. Conversely, imports grew by 21.60% thus easing the pressure on Current Account Deficit.

The Reserve Bank of India (RBI) has now pegged the base-line GDP growth for this fiscal at 8.00%, considerably lower than that suggested during the budget announcements which were close to 9.00%.

Doing away with its calibrated baby steps approach, RBI increased the repo rate by 50 basis points to rein in inflation, which at 9.00% is far higher than the RBI's comfort zone of 6.00%. Though the central bank expects inflation to remain at the elevated level of 9.00% during the first half of the current fiscal, its objective is to bring it down to 6.00% by March 2012.

It is not clear how the inflation rate will come down since the factors igniting inflation are supply side factors which can only be corrected with investments enhancing productivity, both in agriculture and infrastructure. Nevertheless, a key outcome of liquidity tightening measures by the RBI has been a firming up of interest rates. The RBI in its policy statement on 3<sup>rd</sup> May 2011 has clearly indicated that inflation control in the current environment takes precedence over growth.

Higher international crude prices, rising interest rates, unabated domestic inflation and possible slippages in the fiscal deficit forecasts pose substantial down-side risks for equity investors. The markets were surprisingly resilient, till the end of April 2011, given the negative news both on the economic and political platform. Post the RBI policy announcement the market has begun the process of discounting the impact of the factors which will have a negative impact on earnings growth in FY 2011-12. Analyst forecasts of earnings growth for FY 2011-12 have yet to start bearing downward revisions.

Poor allocation of domestic savings towards equities remains an area of concern. The net outflows from equity mutual fund schemes in FY 2009-10 was Rs.10,235 crores which increased to Rs.20,181 crores in FY 2010-11, mainly due to redemptions. Investments through traditional life insurance products, especially from LIC, is the major source of allocation for domestic equity savings. FII inflows are the major source of capital for equities. In FY 2009-10 FII inflows into the Indian equity markets was USD 25 billion which increased to USD 32.2 billion in FY 2010-11.

The Company functions as an investment company with a primary objective of long term appreciation in the value of its portfolio. The Company has been disclosing the net asset value of its share (NAV) based on the realisable value of its portfolio on a quarterly basis since September, 2008.

The profits of the Company are derived from a mix of dividend and interest income, supplemented to a large extent by profit on sale of investments. The Board of Directors, after due deliberations, propose to reduce the dependence on sums generated from realisation from sale of investments, thereby providing an opportunity to further increase the period of holding and thereby benefit from a possible higher valuation of its investments. It is envisaged that the above modification in the investment strategy of the Company is likely to alter the attributes of the investment portfolio by elongating its investment horizon and enabling the Management to take a much longer term investment view, with the objective to further enhance the NAV.

Consequently, there could be a relative change in the composition of the income of the Company, resulting in lower profits from sale of investments, which may have an impact on the overall profits of the Company. The Company would, however, strive to ensure that this would not adversely affect the dividends that may be declared by the Company, from time to time.

#### **7. CONVERSION OF WARRANTS INTO ORDINARY SHARES :**

In accordance with the terms of the Issue of the Zero Coupon Convertible Bonds (with warrants), a Warrant holder was entitled to exercise his right to apply for one Ordinary Share of Rs.10/- each at the warrant exercise price of Rs.400/- for each warrant held, during the exercise period 1<sup>st</sup> April, 2011 to 30<sup>th</sup> April, 2011. Accordingly 1,400 warrant holders holding 68,58,222 warrants exercised their entitlement resulting in the paid-up capital of the Company increasing from Rs.48.24 crores on 31<sup>st</sup> March, 2011 to Rs.55.10 crores as on the date of the Report.

#### **8. DIRECTORS' RESPONSIBILITY STATEMENT :**

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

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

#### **9. INTERNAL CONTROL SYSTEMS :**

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

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

#### **10. DIRECTORS :**

Mr. N.A. Soonawala and Mr. K.N. Suntook retired from the Board of Directors on 24<sup>th</sup> June, 2010, upon their reaching the stipulated retirement age adopted by the Board.

Consequent upon the resignation of Mr. N.A. Soonawala as the Chairman of the Company, the Board unanimously appointed Mr. Noel N. Tata and Mr. F. N. Subedar as Chairman and Vice Chairman of the Company respectively with effect from 24<sup>th</sup> June, 2010.

Pursuant to the provisions of the Companies Act, 1956, and the Company's Articles of Association, Mr. F.N. Subedar, Mr. A.B.K. Dubash and Mr. H.N. Sinor retire by rotation but are eligible for re-appointment.

The Board commends their re-appointment as Directors of the Company.



**11. AUDITORS :**

Deloitte Haskins & Sells, Chartered Accountants, who are the statutory auditors of the Company, hold office in accordance with the provisions of the Act upto the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

**12. GENERAL :**

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

There were no foreign exchange earnings and outgo other than those mentioned in Notes 4 to 6 to the Accounts.

A statement giving particulars of employees as required under Section 217(2A) the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, forms part of this Report. However, pursuant to the provisions of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the Members excluding the aforesaid statement. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

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

**On behalf of the Board of Directors,**

**NOEL N. TATA  
Chairman.**

Mumbai, 10<sup>th</sup> May, 2011.

## REPORT ON CORPORATE GOVERNANCE

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

### Board of Directors :

As on 31<sup>st</sup> March, 2011, the Board of Directors of the Company comprised ten members, of whom eight are Non-Executive Directors. Mr. N.A. Soonawala and Mr. K.N. Suntook who had reached the stipulated retirement age adopted by the Board, had intimated their intention not to offer themselves for re-appointment and accordingly, retired from the Board of Directors at the end of the Annual General Meeting on 23<sup>rd</sup> June, 2010. Mr. Noel N. Tata and Mr. F.N. Subedar were appointed as Chairman and Vice Chairman respectively with effect from 24<sup>th</sup> June, 2010. Mr. Zubin Dubash and Mr. Amit Chandra who functioned as Additional Directors earlier, were appointed as Directors at the aforesaid Annual General Meeting. In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Mr. F.N. Subedar, Mr. A.B.K. Dubash and Mr. H.N. Sinor retire by rotation but are eligible for re-appointment. Profile of Directors seeking re-appointment, pursuant to Clause 49 of the Listing Agreement have been given along with the Notice of the Annual General Meeting.

### Board Meetings :

18 Board/Committee Meetings were held at Mumbai during the year under review comprising 5 Board Meetings and 13 various Committee Meetings. The Board Meetings were held on 17th May, 2010, 22nd June, 2010, 29th July, 2010, 26th October, 2010, and 27th January, 2011. The category of each Director, together with his attendance at Board Meetings, the number of his Directorships and memberships of the SEBI-designated Board Committees of other companies as well as his holding in the Company, as on 31<sup>st</sup> March, 2011, are given below :

Name of Directors	Category of Director	Board Meetings attended during 2010-2011	No. of Directorships of other Indian Companies as on 31st March, 2011	Membership of mandatory Board Committees of other companies as on 31st March, 2011		No. of Ordinary Shares held as on 31 <sup>st</sup> March, 2011
				Chairman	Member	
			Director			Ordinary Shares
Mr. N.N. Tata	Non Independent	5	8	1	2	16,551
Mr. F.N. Subedar	Non Independent	5	9	4	6	1,961
Mr. A.B.K. Dubash	Independent	4	-	-	-	1,500
Mr. M.J. Kotwal	Executive Director	5	3	-	-	3,999
Mr. K.A. Chaukar	Non Independent	5	12	1	4	-
Mr. H.N. Sinor	Independent	4	10	3	5	-
Mr. P.P. Shah	Independent	3	14	2	3	-
Mr. A.N. Dalal	Executive Director	5	5	-	2	-
Mr. Z. Dubash	Independent	3	1	-	1	-
Mr. A. Chandra	Independent	4	2	-	1	-
Mr. N.A. Soonawala*	Non Independent	2	-	-	-	8,000
Mr. K.N. Suntook*	Independent	2	-	-	-	840

\* Retired 24<sup>th</sup> June, 2010

All the Directors, except Mr. A.B.K. Dubash and Mr. P.P. Shah, who were out of Mumbai on that day, had attended the last Annual General Meeting held on 23rd June, 2010.

### Committee of Directors :

Upon the retirement of Mr. N.A. Soonawala and Mr. K.N. Suntook on 23rd June, 2010 from the Board of Directors of our Company (and consequently as Directors on various Committees of the Board), the

Committees of the Board have been reconstituted on 22<sup>nd</sup> June, 2010 except the Investment Committee which was re-constituted on 10<sup>th</sup> August, 2010. Details of the various Committees of the Board of Directors of the Company as on 31<sup>st</sup> March, 2011 and the meetings attended by each Director, during the year 2010-2011 shown within brackets, are as under :

	Name of the Director
<i>Audit Committee :</i> (4 meetings held during the year)	Mr. H.N. Sinor – <i>Chairman</i> (3), Mr. A.B. K. Dubash (4), Mr. F.N. Subedar (4), Mr. P.P. Shah (2), Mr. K.N.Suntook (1)
<i>Remuneration Committee :</i> (2 meetings held during the year)	Mr. Z. Dubash – <i>Chairman</i> (-) (Apptd. 22.06.2010) Mr. N.N. Tata (2), Mr. F.N. Subedar (2) Mr. N.A. Soonawala (2), Mr. K.N.Suntook (2)
<i>Share Transfer &amp; Investors' Grievance Committee :</i> (1 meeting held during the year)	Mr. F.N. Subedar – <i>Chairman</i> (1) Mr. M.J. Kotwal (1), Mr. A.N. Dalal (1) Mr. N.A. Soonawala (-)
<i>Investment Committee :</i> (4 meetings held during the year)	Mr. N.N. Tata – <i>Chairman</i> (4) Mr. F.N. Subedar (4), Mr. A.B.K. Dubash (1), Mr. K.A. Chaukar (4), Mr. P.P. Shah (2), Mr. Z. Dubash (4),
<i>Asset Liability Management Committee :</i> (2 meetings held during the year)	Mr. H.N. Sinor – <i>Chairman</i> (1) Mr. M.J. Kotwal (2), Mr. K.A. Chaukar (2) Mr. A.N. Dalal (2)
<i>Nomination Committee :</i> (No meeting was held during the year)	Mr. N.N. Tata – <i>Chairman</i> Mr. H.N. Sinor, Mr. K.A. Chaukar, Mr. N.A. Soonawala

#### **Audit Committee :**

The Audit Committee has been constituted in compliance with (i) Section 292A of the Companies Act, 1956 (ii) the listing guidelines on Corporate Governance, as mandated by the Stock Exchanges and (iii) the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions 2008. All the Directors, except Mr. F.N. Subedar are independent Directors.

The functions of the Audit Committee include :-

- Overseeing of the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment/removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with the management the quarterly and annual financial statements before submission to the Board.
- Reviewing with the Management, the statement of uses/applications of funds raised through an Issue (public issue/rights issue/preferential issue), the statement of funds utilised for purposes other than those stated in the Offer Document / Prospectus and making appropriate recommendations to the Board to take steps in this matter.
- Reviewing the Company's financial and risk management policies.
- Reviewing the adequacy of internal audit functions.
- Discussion with internal and external auditors about their findings and follow up thereon.

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

#### **Remuneration Committee :**

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

### Remuneration of Directors :

The Directors are paid sitting fees and Commission in accordance with Section 309 and 310 of the Companies Act, 1956. A total remuneration of Rs.80 lacs was paid to the Non-Executive Directors during the year ended 31<sup>st</sup> March, 2011. The remuneration paid to each Non-Executive Director is given below :

Name of the Director	Sitting fees paid during 2010-2011	Commission for 2009-2010 paid in 2010-2011
	(Rs. In lacs )	
Mr. N.N. Tata	2.00	6.00
Mr. F.N. Subedar	2.90	10.00
Mr. A.B.K. Dubash	1.80	6.00
Mr. K.A. Chaukar	2.00	5.00
Mr. H.N. Sinor	1.50	6.50
Mr. P.P. Shah	1.40	3.00
Mr. A.N. Dalal #	-	3.00
Mr. Z. Dubash	1.40	0.50
Mr. A. Chandra	0.80	-
Mr. N.A. Soonawala ^	0.60	15.00
Mr. K.N. Suntook ^	0.60	10.00
<b>TOTAL</b>	<b>15.00</b>	<b>65.00</b>

# Non-executive Director upto 31.12.2009

^ Retired w.e.f. 24<sup>th</sup> June, 2010.

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

The members had, at the Annual General Meeting held on 20<sup>th</sup> July, 2007 approved of the re-appointment and the terms of remuneration of Mr. M.J. Kotwal, the Executive Director of the Company for the period from 4<sup>th</sup> September, 2007 to 27<sup>th</sup> May, 2012. The Members had, at the Annual General Meeting held on 23<sup>rd</sup> June, 2010 appointed Mr. A.N. Dalal as the Executive Director of the Company for a period of five years with effect from 1<sup>st</sup> January, 2010. The appointments can be terminated by either party giving to the other party six months notice or the Company paying six months remuneration in lieu of the notice.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to its Executive Directors. Annual increments effective 1<sup>st</sup> April each year, as recommended by the Remuneration Committee, are approved by the Board. Salary and perquisites are paid within the range approved by the shareholders. Commission payable to the Executive Director is calculated with reference to the net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year based on the recommendation of the Remuneration Committee within the limits fixed by the Board and subject to overall ceilings stipulated in Section 198 and 309 of the Companies Act, 1956. The specific amount payable to each Executive Director is based on certain performance criteria and is payable after the Annual Accounts have been approved by the Board of Directors and adopted by the members. The remuneration paid to the Executive Directors during the year 2010-2011 is given below :-

Name	Salary	Perquisites	Provident/ Superannuation Fund	Performance Bonus for 2009-2010 paid in 2010-2011
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
Mr. M.J. Kotwal	55.50	4.94	5.99	30.00
Mr. A.N. Dalal	138.24	-	6.91	10.00*

\* From 1.1.2010 to 31.3.2010

**Share Transfer & Investors' Grievance Committee :**

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

The Registrars had received correspondence on 472 matters in the aggregate during the year. There were 327 queries regarding dividend warrants including changes on live warrants or issue of fresh cheques against time barred instruments, 88 requests for registration of change of address, Bank details, ECS, nomination, document registration, transmission of shares, loss of securities etc. and 57 correspondence for other miscellaneous matters. There were 11 queries pending as on 31<sup>st</sup> March, 2011.

**Investment Committee :**

The Investment Committee comprising Mr. Noel N. Tata, Mr. F.N. Subedar, Mr. A.B.K. Dubash, Mr. K.A. Chaukar, Mr. Z. Dubash and Mr. P.P.Shah, has been constituted pursuant to Section 292 of the Companies Act, 1956. The investment policy and specific recommendations form an important part of the discussions at the Investment Committee meetings. Specific investment decisions, based on detailed analysis and recommendations of the Investment Executives, are taken by investment committee circulars with full disclosure and subsequent review at Board / Committee Meetings.

**Asset Liability Management Committee :**

In accordance with the Reserve Bank of India guidelines, an Asset Liability Management (ALM) Committee of the Board comprising Mr. H.N. Sinor, Mr. M.J. Kotwal, Mr. K.A. Chaukar and Mr. A.N. Dalal, has been constituted for implementation of the ALM system and to review its functions periodically. The Committee also reviews the Risk Management Policy of the Company from time to time.

**Nomination Committee :**

The Nomination Committee as on 31<sup>st</sup> March, 2011 comprises three Directors viz. Mr. N.N. Tata (Chairman), Mr. K.A. Chaukar and Mr. H.N. Sinor.

**General Body Meetings :**

The Annual General Meeting of the Company will be held on Friday, 8th July, 2011 at 3-30 p.m. at Walchand Hirachand Hall, Indian Merchants Chamber Building, Churchgate, Mumbai 400 020. The last Annual General Meeting was held on 23<sup>rd</sup> June, 2010 at 3.30 p.m. at Walchand Hirachand Hall, Indian Merchants Chamber Building, Churchgate, Mumbai 400 020. Two previous Annual General Meetings were held on 8th July, 2009 at Homi J. Talyerkhan Memorial Hall, Red Cross Office, 141, Shahid Bhagat Singh Road, Mumbai 400 001 and 15th July, 2008 at 3-30 p.m. at the Bombay House Auditorium, Homi Mody Street, Mumbai 400 001. Special Resolutions under Sections 31 & 309 of the Companies Act, 1956 were passed with the requisite majority at the Annual General Meetings held on 15<sup>th</sup> July, 2008 and 23<sup>rd</sup> June, 2010 respectively.

**Disclosures :**

- i. The particulars of transactions between the Company and its related parties in accordance with Accounting Standard 18 are set out in Note No.8 to the Accounts. These transactions are in the ordinary course and are not likely to have any conflict with the interest of the Company.
- ii. There were no material pecuniary relationships or transactions of the non-executive directors vis-à-vis the Company, other than payment of Board fees/commission and investments (if any) in shares / securities of the Company.
- iii. There were no material transactions of the Company with its promoters, directors, management or their relatives that may have potential conflict with the interest of the Company at large.
- iv. There were no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets at any time during the last 3 years.
- v. In accordance with the High Court Orders dated 27<sup>th</sup> September, 2002, 30<sup>th</sup> January, 2009 and 25<sup>th</sup> September, 2009 and the Accounting Practice adopted earlier, provision for diminution in the value of investments amounting to Rs.1.32 crores has been credited to the Securities Premium Account

instead of the Profit & Loss Account as prescribed under Accounting Standard (AS) on 'Accounting for Investments', being write-back of provision for diminution in value of certain investments no longer required, which had been debited to such account in earlier years.

- vi. The Company has complied to the extent applicable with all mandatory requirements mentioned in Annexure IC of Clause 49 of the Listing Agreement in respect of Corporate Governance. As regards the non-mandatory requirements mentioned in Annexure ID thereto, the Company has been complying with requirements as regards Remuneration Committee. Further, the Company has also adopted the Whistle Blower Policy as mentioned in this Report.

**CEO/CFO certification :**

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

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs as on 31<sup>st</sup> March, 2011 and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the Company and have reported to the auditors and the Audit Committee that they are not aware of any deficiencies in the design or operation of internal controls. In the event such deficiencies do arise, the same shall be reported to the auditors and the Audit Committee forthwith.
- (d) They have indicated to the auditors and the Audit Committee that there have been -
- (i) no changes in internal control during the year;
  - (ii) no changes in accounting policies during the year, other than those mentioned in the Notes to Account,
  - (iii) no instances of fraud of which they have become aware and / or the involvement therein of any of the management or any employee of the Company.

The Executive Director & Secretary has given a Declaration to the effect that all Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct during the year ended 31<sup>st</sup> March, 2011.

**Means of Communication :**

The unaudited quarterly results and audited results for the year are published in one English newspaper (Business Standard/Financial Express) and atleast one vernacular newspaper (Loksatta/Sakaal) shortly after its submission to the Stock Exchanges.

The Company's website [www.tatainvestment.com](http://www.tatainvestment.com) contains relevant information including matters pertaining to Investor Relations, shareholder benefits, as well as Quarterly/Annual Financial Results. These details are also available on the Tata website, [www.tata.com](http://www.tata.com)

**Share Transfer System :**

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

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

by the Registrars. The Share Transfer and Investors' Grievance Committee approves the transfer of shares and debentures.

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

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

#### **Whistle Blower Policy :**

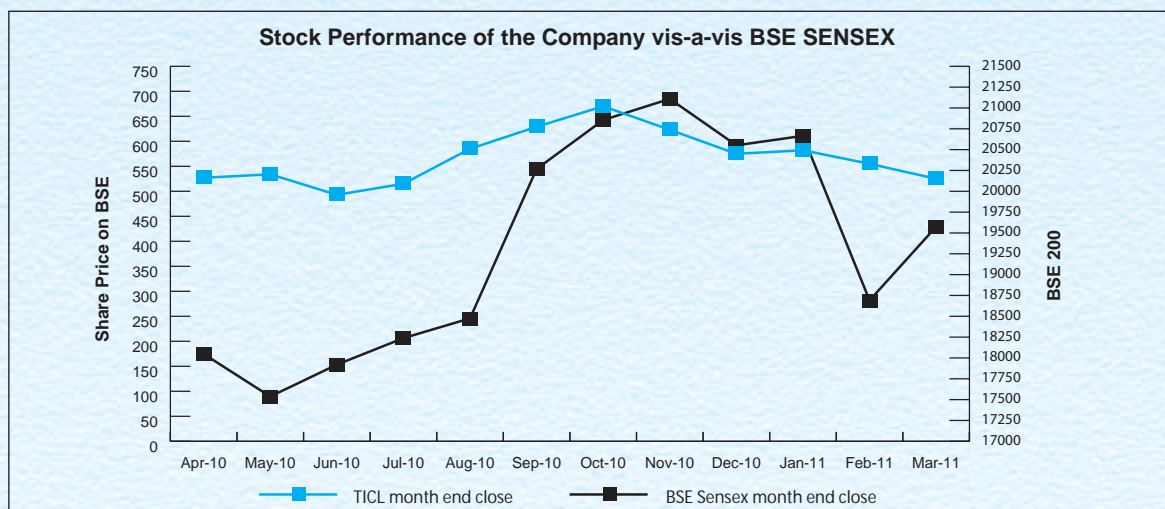
The model Whistle Blower Policy suggested for Tata companies has been adopted by the Board of Directors. The policy provides for adequate safeguards against victimisation of employees and also provides for access to the Audit Committee. The policy has been appropriately communicated within the Company.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

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

#### **General Shareholder Information :**

<b>Registered Office</b> (Address for correspondence)	Elphinstone Building, 10, Veer Nariman Road, Mumbai 400 001. Tel. No.6665 8282 Fax : 6665 7917
<b>Annual General Meeting</b> (Date, time and venue)	Friday, 8th July, 2011 at 3-30 p.m. Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai 400 020.
<b>Financial Year</b>	The Financial Year of the Company ends on 31st March each year.
<b>Book Closure Date</b>	Friday, 1st July, 2011 to Friday, 8th July, 2011.
<b>Dividend Payment</b>	An interim dividend of Rs.16 per share (160%) was paid on 22nd February, 2011 on the then existing Ordinary Share Capital of Rs.48.24 crores was paid to those Members whose names appeared on the Register of Members on 8th February, 2011, as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd.
<b>Listing on Stock Exchanges</b>	<ol style="list-style-type: none"> <li>Bombay Stock Exchange Ltd. P. J. Towers, Dalal Street, Mumbai 400 001.</li> <li>The National Stock Exchange of India Ltd. Bandra-Kurla Complex, Mumbai 400 051.</li> </ol> <p>Listing fees have been paid upto the year ending 31st March, 2012 to each of the Stock Exchanges.</p>
<b>Stock Code</b>	BSE : 501301 NSE : TATAINVEST
<b>ISIN</b>	INE672A01018
<b>Demat of Shares</b>	Available on National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). 98.06% of the Company's shares are in dematerialised mode. Annual Custodial charges have been paid to both Depositories upto 31 <sup>st</sup> March, 2012.

Market Price Data	BSE		NSE	
	High Rs.	Low Rs.	High Rs.	Low Rs.
April 2010	527.00	493.00	529.90	489.00
May 2010	534.00	439.00	534.90	456.20
June 2010	493.00	462.00	494.00	450.10
July 2010	514.90	467.00	516.20	465.10
August 2010	584.95	483.50	582.30	477.10
September 2010	628.80	518.20	640.00	515.10
October 2010	669.90	575.10	619.00	575.00
November 2010	623.00	525.00	623.80	528.00
December 2010	575.05	515.00	576.00	513.00
January 2011	582.00	517.05	581.95	513.30
February 2011	555.00	473.00	555.00	473.00
March 2011	525.00	494.10	580.05	490.15



**Registrars & Share Transfer Agents :**

<b>REGISTERED OFFICE</b>	<b>TSR DARASHAW LIMITED</b> 6-10, Haji Moosa Patrawala Industrial Estate 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011. Tel. : 022-66568484 Fax : 022-66568494 e-mail : csg-unit@tsrdarashaw.com website : www.tsrdarashaw.com
<b>BRANCH OFFICES :</b>	
<b>Bengaluru</b>	503, Barton Centre, 84, M.G. Road, Bengaluru 560 001. Tel. : 080-25320321 Fax : 080-25580019 E-mail : tsrdlbgang@tsrdarashaw.com
<b>Jamshedpur</b>	Bungalow No.1, 'E' Road, Northern Town, Bistupur, Jamshedpur 831 001. Tel. : 0657-2426616 Fax : 0657-2426937 E-mail : tsrdljsr@tsrdarashaw.com
<b>Kolkata</b>	Tata Centre, 1 <sup>st</sup> floor, 43, Jawaharlal Nehru Road, Kolkata 700 071. Tel. : 033-22883087 Fax : 033-22883062 E-mail : tsrdlcal@tsrdarashaw.com
<b>New Delhi</b>	2/42, Sant Vihar, Ansari Road, Daryaganj, New Delhi 110 002. Tel. : 011-23271805 Fax : 011-23271802 E-mail : tsrdldel@tsrdarashaw.com
<b>Agents</b>	Shah Consultancy Services Ltd. 3, Sumatinath Complex, 2 <sup>nd</sup> Dhal, Pritam Nagar, Ellis Bridge Ahmedabad – 380 006. Telefax: 079 – 26576038 E-mail: shahconsultancy@hotmail.com



**Distribution of Shareholding as on 31.3.2011**

	No. of shares	%
Promoter Company and other Tata companies .....	3,37,57,404	69.98
Directors & their Relatives .....	38,713	0.08
Public Financial Institutions / Nationalised Banks / Insurance companies & State Governments .....	11,52,936	2.39
Non-residents / FIIs .....	10,76,238	2.23
Other Bodies Corporate & Other Banks .....	14,66,557	3.04
Mutual Funds .....	15,87,696	3.29
Others .....	91,57,530	18.99
	<u>4,82,37,074</u>	<u>100.00</u>

**Distribution Schedule as on 31.3.2011**

Sr.No.	No. of shares	Holdings	Amount (Rs.)	% of total Capital	No. of Holders	% to total Holders
1.	1 to 500	1874516	18745160	3.89	20975	88.76
2.	501 to 1000	858073	8580730	1.78	1129	4.78
3.	1001 to 2000	994836	9948360	2.06	682	2.89
4.	2001 to 3000	710860	7108600	1.47	284	1.20
5.	3001 to 4000	478555	4785550	0.99	136	0.57
6.	4001 to 5000	435170	4351700	0.90	96	0.41
7.	5001 to 10000	1295856	12958560	2.69	182	0.77
8.	Greater than 10000	41589208	415892080	86.22	147	0.62
	<b>Total</b>	<u><b>48237074</b></u>	<u><b>482370740</b></u>	<u><b>100.00</b></u>	<u><b>23631</b></u>	<u><b>100.00</b></u>

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To The Members of  
**Tata Investment Corporation Limited**

1. We have examined the compliance of conditions of Corporate Governance by Tata Investment Corporation Limited ('the Company'), for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange(s).
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

**H. L. Shah**  
Partner

Mumbai, 10th May, 2011.

Membership No.33590

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

1. We have audited the attached Balance Sheet of TATA INVESTMENT CORPORATION LIMITED ("the Company") as at 31<sup>st</sup> March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - i. 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;
  - ii. in our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books;
  - iii. the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv. in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
  - v. 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 Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2011;
    - (b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
    - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations from the directors as on 31<sup>st</sup> March, 2011 taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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

**H. L. Shah**  
Partner

Membership No.33590

Mumbai, 10th May, 2011.

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/result, clauses (ii), (viii), (x), (xi), (xii), (xiii), (xv), (xvi), (xviii), (xix) and (xx) of CARO are not applicable to the company.
- (ii) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

  - (a) The Company has granted loans aggregating Rs.8,700 lakhs to six parties during the year. At the year-end, the outstanding balances of such loans aggregated Rs.3,200 lakhs (number of parties – 3) and the maximum amount involved during the year was Rs.6,700 lakhs (number of parties – 7).
  - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interests of the Company.
  - (c) The receipts of principal amounts and interest have been regular/as per stipulations.
  - (d) There is no overdue amounts remaining outstanding as at the year-end.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
  - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
  - (b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A & 58AA or any other relevant provisions of the Companies Act, 1956

- (vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.
  - (c) There were no dues of Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs duty, Excise duty and cess, to the extent applicable, which have not been deposited on account of any dispute.
- (ix) Based on our examination of the records and evaluations of the related internal controls in respect of current investments, the Company has maintained proper records of the transactions and contracts in respect of its dealing in shares, securities, debentures and other investments as applicable and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name.
- (x) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.
- (xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

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

**H. L. Shah**  
Partner  
(Membership No. 33590)

Mumbai, 10th May, 2011.

## BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	Rupees (in lacs)	Rupees (in lacs)	Rupees (in lacs)	As at 31-3-2010 Rupees (in lacs)
<b>FUNDS EMPLOYED:</b>					
1. SHARE CAPITAL .....	A			4823.71	4823.71
2. RESERVES AND SURPLUS .....	B			159144.91	148153.89
3. TOTAL SHAREHOLDERS' FUNDS .....				163968.62	152977.60
4. TOTAL FUNDS EMPLOYED .....				163968.62	152977.60
<b>APPLICATION OF FUNDS:</b>					
5. FIXED ASSETS .....	C				
Gross Block .....		254.00			156.83
Less: Depreciation .....		181.20			122.78
Net Block .....			72.80		34.05
Add: Capital work in progress/Advances on Capital Account .....			-		70.55
				72.80	104.60
6. INVESTMENTS [including debt mutual funds ₹9143.02 lacs (Previous Year ₹ 27299.52 lacs)] .....	D			129088.44	130552.19
7. CURRENT ASSETS, LOANS AND ADVANCES .....	E				
(a) Sundry Debtors .....		653.83			-
(b) Cash and Bank balances .....		20949.17			11468.27
(c) Other Current Assets .....		484.56			659.27
(d) Loans and Advances .....		13646.93			11023.63
			35734.49		23151.17
8. Less: CURRENT LIABILITIES AND PROVISIONS .....	F				
(a) Current Liabilities .....		691.91			575.54
(b) Provisions .....		235.20			254.82
			927.11		830.36
NET CURRENT ASSETS .....				34807.38	22320.81
9. TOTAL ASSETS (NET) .....				163968.62	152977.60
Notes to the Accounts .....	K				

In terms of our report attached,

For DELOITTE HASKINS & SELLS  
Chartered Accountants

H. L. Shah  
Partner

M. J. KOTWAL  
Executive Director &  
Secretary

A. N. DALAL  
Executive Director -  
Investments

For and on behalf of the Board,  
N. N. TATA  
F. N. SUBEDAR  
Chairman  
Vice Chairman

A. B. K. DUBASH  
K. A. CHAUKAR  
H.N.SINOR  
Z. DUBASH  
A. CHANDRA  
Directors

Mumbai, 10th May, 2011

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	Rupees (in lacs)	Rupees (in lacs)	Previous Year Rupees (in lacs)
<b>INCOME :</b>				
1. Dividends [includes ₹33.00 lacs on current investments; (Previous Year ₹15.08 lacs)] .....			5865.10	5117.60
2. Interest (net) .....	G		3657.09	2825.48
3. Net Profit on sale of investments [includes profit of ₹126.40 lacs on current investments (Previous Year - loss of ₹120.68 lacs)] .....			14790.44	15041.51
4. Other Income .....	H		415.20	277.51
5. <b>TOTAL INCOME</b> .....			<u>24727.83</u>	<u>23262.10</u>
<b>EXPENDITURE :</b>				
6. Payments to and provisions for employees .....	I		616.39	443.61
7. Other expenditure .....	J		574.41	523.79
8. Depreciation .....			90.38	14.15
9. <b>TOTAL EXPENDITURE</b> .....			<u>1281.18</u>	<u>981.55</u>
10. <b>PROFIT BEFORE TAXES</b> .....			23446.65	22280.55
11. Provision for current tax [including ₹0.02 lacs for Wealth Tax (Previous Year ₹0.04 lacs) and ₹1.24 lacs excess provision of earlier years (net) written back (Previous Year ₹62.79 lacs)] .....			3587.79	2888.96
12. <b>PROFIT AFTER TAXES</b> .....			<u>19858.86</u>	<u>19391.59</u>
13. Balance brought forward from previous year .....			19421.64	13186.44
14. <b>AMOUNT AVAILABLE FOR APPROPRIATION</b> .....			<u>39280.50</u>	<u>32578.03</u>
15. <b>APPROPRIATIONS :-</b>				
Interim dividend on ordinary shares .....		7717.93		6202.31
Tax on dividends .....		1281.85		1054.08
Reserve Fund .....		4000.00		3900.00
General Reserve .....		2000.00		2000.00
			<u>14999.78</u>	<u>13156.39</u>
16. Balance carried to balance sheet .....			<u>24280.72</u>	<u>19421.64</u>
17. Earnings per ordinary share (See Note 12 to Schedule K) (Face Value ₹10/- per share)				
Basic (Rupees) .....			41.17	49.64
Diluted (Rupees) .....			39.65	39.35
Notes to the Accounts .....	K			

In terms of our report attached to the balance sheet

For DELOITTE HASKINS & SELLS  
Chartered Accountants

H. L. Shah  
Partner

M. J. KOTWAL  
*Executive Director &  
Secretary*

A. N. DALAL  
*Executive Director -  
Investments*

For and on behalf of the Board,  
N. N. TATA  
F. N. SUBEDAR  
Chairman  
Vice Chairman

A. B. K. DUBASH  
K. A. CHAUKAR  
H.N.SINOR  
Z. DUBASH  
A. CHANDRA  
} Directors

Mumbai, 10th May, 2011

## CASH FLOW STATEMENT

For the Year ended 31st March

	2011	2010
	----- (Rupees in lacs) -----	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax .....	23446.65	22280.55
Adjustments for :		
Dividend Income .....	(5865.10)	(5117.60)
Interest Income (net) .....	(3657.09)	(2825.48)
Provision for diminution in the value of investments, credited to the Profit and Loss Account .....	(174.68)	(272.93)
(Profit)/Loss on sale/write-off of fixed assets (net) .....	0.03	(0.64)
Depreciation .....	90.38	14.15
Unrealised foreign exchange (gain)/loss .....	(0.83)	2.90
Net profit on sale of investments .....	(14790.44)	(15041.51)
Provision for standard assets .....	36.78	-
<b>Operating profit before working capital changes .....</b>	<b>(914.30)</b>	<b>(960.56)</b>
Adjustments for :		
Trade and other receivables .....	(471.11)	284.56
Trade and other payables .....	58.66	117.67
Cash generated from operations before interest and dividend income .....	(1326.75)	(558.33)
Dividend Income .....	5865.10	5117.60
Interest income (net) .....	3657.09	2825.48
Cash generated from operations .....	8195.44	7384.75
Direct taxes paid - (Net of refunds) .....	(3592.30)	(2865.76)
<b>Net cash from operating activities .....</b>	<b>4603.14</b>	<b>4518.99</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed assets (including Capital work in progress/Advances on Capital Account) .....	(62.67)	(100.56)
Sale of Fixed assets .....	-	5.10
Purchase of investments .....	(101223.63)	(85876.90)
Sale proceeds of investments .....	117784.44	94102.71
Intercompany deposits placed .....	(21800.00)	(10200.00)
Intercompany deposits withdrawn .....	11800.00	7700.00
<b>Net cash from investing activities .....</b>	<b>6498.14</b>	<b>5630.35</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Short term borrowings .....	6000.00	-
Repayment of short term borrowings .....	(6000.00)	-
Repayment of long term borrowings (including matured deposits/debentures/ interest thereon) .....	(0.75)	(0.82)
Dividends/Dividend tax paid .....	(8995.58)	(13262.57)
<b>Net cash used in financing activities .....</b>	<b>(8996.33)</b>	<b>(13263.39)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C) .....</b>	<b>2104.95</b>	<b>(3114.05)</b>
Cash and cash equivalents at the beginning of the year [See Note (iii) below] .....	19561.34	22678.29
Add/(Less): Exchange profit/(loss) on foreign currency bank balance .....	0.83	(2.90)
Cash and cash equivalents at the end of the year [See Note (iii) below] .....	<b>21667.12</b>	<b>19561.34</b>

## Notes :

- i) Since the Company is an investment company, purchase and sale of investments have been considered as part of "Cash flow from investing activities" and interest earned/paid and dividend earned have been considered as part of "Cash flow from operating activities".
- ii) Direct taxes paid is treated as arising from operating activities and is not bifurcated between Investing and Financing activities.
- iii) Cash and cash equivalents represents cash and bank balances as per Balance Sheet, intercompany deposits placed for three months or lower tenure, and interest accrued thereon. Cash and cash equivalent includes current account balances of ₹150.69 lacs (Previous year ₹145.23 lacs) which are restricted in use on account of unclaimed dividends/fixed deposits/interest on fixed deposits and amount held in a country where exchange control restrictions apply.

Cash and cash equivalent included in the Cash flow Statement comprises the following balance sheet items :-

	As at 31st March	
	2011	2010
	----- (Rupees in lacs) -----	
1. Cash on hand and bank balances .....	20949.17	11468.27
2. Intercompany deposits placed .....	350.00	8000.00
3. Interest accrued on deposits placed .....	367.95	93.07
	<b>21667.12</b>	<b>19561.34</b>

iv) Previous year's figures have been regrouped, wherever necessary.

In terms of our report attached to the balance sheet

For DELOITTE HASKINS & SELLS  
Chartered AccountantsH. L. Shah  
PartnerM. J. KOTWAL  
Executive Director &  
SecretaryA. N. DALAL  
Executive Director -  
InvestmentsFor and on behalf of the Board,  
N. N. TATA Chairman  
F. N. SUBEDAR Vice ChairmanA. B. K. DUBASH  
K. A. CHAUKAR  
H. N. SINOR  
Z. DUBASH  
A. CHANDRA  
Directors

Mumbai, 10th May, 2011

## SCHEDULES FORMING PART OF THE BALANCE SHEET

### SCHEDULE 'A' SHARE CAPITAL

	Rupees (in lacs)	As at 31-3-2010 Rupees (in lacs)
<b>AUTHORISED CAPITAL :-</b>		
6,00,00,000 Ordinary shares of ₹10 each .....	<b>6000.00</b>	6000.00
<b>ISSUED CAPITAL :-</b>		
4,82,37,574 Ordinary shares of ₹10 each fully paid up .....	<b>4823.76</b>	4823.76
<b>SUBSCRIBED CAPITAL :-</b>		
4,82,37,074 Ordinary shares of ₹10 each fully paid up .....	<b>4823.71</b>	4823.71
Of the above shares -		
(a) 10,39,190 Shares of ₹10 each have been allotted as fully paid up pursuant to a contract without payment having been received in cash		
(b) 1,61,96,289 Shares of ₹10 each have been issued as fully paid up bonus shares by capitalisation of capital reserve and securities premium account		
	<b>4823.71</b>	4823.71

#### Notes:

1. 3,14,53,660 Ordinary shares are held by Tata Sons Limited, the holding Company and 7,60,788 Ordinary shares are held by a wholly owned subsidiary of Tata Sons Ltd.
2. The holders of the 68,88,343 detachable warrants issued with the Zero Coupon Fully Convertible Bonds of ₹650/- each would be entitled to apply for and be allotted on payment of ₹400/- per warrant, one Ordinary share of ₹10/- each at a premium of ₹390/-, between 1.4.2011 and 30.4.2011.

### SCHEDULE 'B' RESERVES AND SURPLUS

	Rupees (in lacs)	Rupees (in lacs)	As at 31-03-2010 Rupees (in lacs)
<b>CAPITAL RESERVE :-</b>			
Balance as per last balance sheet .....		<b>4163.35</b>	4163.35
<b>SECURITIES PREMIUM :-</b>			
Balance as per last balance sheet .....		<b>47858.27</b>	2920.14
Add: Transferred on conversion of debentures .....	-		43396.56
Provision for diminution in value of investments, earlier debited to securities premium, no longer required, written back (See Note 2 to Schedule K) .....	<b>131.94</b>		1541.57
		<b>131.94</b>	44938.13
		<b>47990.21</b>	47858.27
<b>GENERAL RESERVE :-</b>			
Balance as per last balance sheet .....		<b>49304.63</b>	47304.63
Add: Transferred from Profit and Loss Account .....		<b>2000.00</b>	2000.00
		<b>51304.63</b>	49304.63
<b>RESERVE FUND (as per RBI regulations) :-</b>			
Balance as per last balance sheet .....		<b>27406.00</b>	23506.00
Add: Transferred from Profit and Loss Account .....		<b>4000.00</b>	3900.00
		<b>31406.00</b>	27406.00
<b>PROFIT AND LOSS ACCOUNT :-</b>			
Balance carried forward .....		<b>24280.72</b>	19421.64
		<b>159144.91</b>	148153.89



## SCHEDULES FORMING PART OF THE BALANCE SHEET

## SCHEDULE 'C' FIXED ASSETS

	Cost as at 1st April, 2010	Addi- tions	Deduc- tions/ Adjust- ments	Cost as at 31st March, 2011	Depre- ciation for the year	Accumulated Depreciation as at 31st March, 2011	Net book value as at 31st March, 2011	Net book value as at 31st March, 2010
Rupees in lacs								
Buildings .....	1.30	-	-	1.30	0.01	1.09	0.21	0.22
Furniture, fixtures and equipment .....	38.63	59.22	27.48	70.37	59.22	70.37	-	-
Motor cars .....	64.45	-	-	64.45	6.93	44.70	19.75	26.68
Plant and Machinery .....	52.45	24.35	4.50	72.30	12.82	53.64	18.66	7.15
Leasehold Improvements	-	45.58	-	45.58	11.40	11.40	34.18	-
	<u>156.83</u>	<u>129.15</u>	<u>31.98</u>	<u>254.00</u>	<u>90.38</u>	<u>181.20</u>	<u>72.80</u>	
Previous year .....	<u>149.84</u>	<u>34.06</u>	<u>27.07</u>	<u>156.83</u>	<u>14.15</u>	<u>122.78</u>		34.05
Capital work in progress .....							-	56.95
Advances on Capital Account .....							-	13.60
							<u>72.80</u>	<u>104.60</u>

## SCHEDULE 'D' INVESTMENTS

	As at 31-03-2011				As at 31-03-2010			
	Fully paid Rupees (in lacs)	Partly paid Rupees (in lacs)	Book Value Rupees (in lacs)	Book Value Rupees (in lacs)	Fully paid Rupees (in lacs)	Partly paid Rupees (in lacs)	Book Value Rupees (in lacs)	Book Value Rupees (in lacs)
I LONG TERM (AT OR BELOW COST) QUOTED :- (LIST 1)								
Equity shares .....	75863.16	-			62603.14	-		
Mutual funds .....	1018.50	-			1610.53	-		
Debentures/Bonds .....	9393.58	-			10439.39	-		
Preference shares .....	2457.66	-			-	-		
Tradeable Warrants .....	-	-			-	-		
(Market Value ₹325756.26 lacs; Previous year ₹280396.57 lacs)								
	<u>88732.90</u>	<u>-</u>	<u>88732.90</u>		<u>74653.06</u>	<u>-</u>	<u>74653.06</u>	
UNQUOTED :- (LIST 2)								
Equity shares .....	17830.80	-			17520.97	-		
Mutual funds .....	9643.02	-			28499.52	-		
Venture Capital funds .....	2534.95	-			2664.82	-		
Preference shares .....	6500.00	-			6500.00	-		
	<u>36508.77</u>	<u>-</u>	<u>36508.77</u>		<u>55185.31</u>	<u>-</u>	<u>55185.31</u>	
Application money on securities not allotted .....							100.00	
			<u>125241.67</u>				<u>129938.37</u>	
Less : Provision for diminution in value of Long Term Investments			<u>825.65</u>				<u>1181.98</u>	
				<u>124416.02</u>			<u>128756.39</u>	
II CURRENT INVESTMENTS (LOWER OF COST AND FAIR VALUE)								
Quoted Equity Shares ( List 3 ) (at cost) .....			4722.13				1795.80	
Less : Provision for diminution			<u>49.71</u>				<u>-</u>	
At fair value. ....				<u>4672.42</u>				1795.80
(Market Value ₹4672.42 lacs; Previous year ₹1949.57 lacs)								
				<u>129088.44</u>				<u>130552.19</u>
Aggregate Investments ( net of diminution )								
Quoted .....				<u>93106.39</u>				76163.31
(Market Value ₹330428.68 lacs; Previous year ₹282346.14 lacs)								
Unquoted .....				<u>35982.05</u>				54388.88
				<u>129088.44</u>				<u>130552.19</u>

## LIST OF INVESTMENTS

Particulars	Face value Rupees	As at 31st March, 2011		As at 31st March, 2010	
		Holding	Book value Rupees (in lacs)	Holding	Book value Rupees (in lacs)
<b>LIST 1: QUOTED:-</b>					
<b>EQUITY SHARES FULLY PAID:-</b>					
<b>1 BANKS</b>					
Andhra Bank .....	10	-	-	450000	355.41
Axis Bank Ltd. ....	10	330000	131.64	330000	131.64
Bank of Baroda .....	10	-	-	30000	76.75
Central Bank of India .....	10	300000	470.01	140000	163.20
Corporation Bank .....	10	75000	354.12	60012	272.85
Dena Bank .....	10	60000	49.00	-	-
Development Credit Bank Ltd. ....	10	800000	635.17	400000	420.00
HDFC Bank Ltd. ....	10	123000	345.25	123000	345.25
ICICI Bank Ltd. ....	10	90000	851.16	17500	150.33
IDBI Bank Ltd. ....	10	420000	529.21	300000	358.72
Indian Bank .....	10	400000	615.10	250000	281.94
Karnataka Bank Ltd. ....	10	-	-	95000	112.33
Punjab National Bank. ....	10	62500	419.19	75000	503.03
State Bank of India .....	10	144000	872.90	150000	909.27
Syndicate Bank. ....	10	-	-	400000	299.85
United Bank of India. ....	10	300000	231.99	-	-
			5504.74		4380.57
<b>Market Value</b>			16441.22		12823.67
<b>2 CEMENT</b>					
ACC Ltd. ....	10	-	-	150000	213.17
Ambuja Cements Ltd. ....	2	1320000	24.29	2200400	40.49
HeidelbergCement India Ltd. ....	10	350000	148.72	-	-
Madras Cements Ltd. ....	1	400000	416.26	-	-
Mangalam Cements Ltd. ....	10	342500	539.60	275000	451.07
Ultratech Cement Ltd. ....	10	130000	1212.34	-	-
			2341.21		704.73
<b>Market Value</b>			4359.02		4537.92
<b>3 CHEMICALS &amp; FERTILIZERS</b>					
Clariant Chemicals India Ltd. ....	10	50000	139.17	50000	139.17
Gujarat Alkalies & Chemicals Ltd. ...	10	-	-	100000	128.61
Gujarat Narmada Valley Fertilizers Co. Ltd. ....	10	-	-	200000	187.45
Nagarjuna Agrichem Ltd. ....	10	42342	124.62	30000	85.33
Rallis India Ltd. ....	10	7500	1.26	10000	2.51
Tata Chemicals Ltd. ....	10	15753500	4552.76	15753500	4552.76
United Phosphorus Ltd. ....	2	115000	188.83	115000	188.83
			5006.64		5284.66
<b>Market Value</b>			53967.47		52487.63
<b>4 ELECTRICITY &amp; TRANSMISSION</b>					
Areva T & D India Ltd. ....	2	75000	213.33	75000	213.33
NHPC Ltd. ....	10	600000	160.60	200000	67.68
NTPC Ltd. ....	10	1215000	1556.73	1215000	1556.73
Power Grid Corporation of India Ltd.	10	600000	590.19	500000	481.21
PTC India Ltd. ....	10	300000	334.93	200000	221.69
Suzlon Energy Ltd. ....	2	200000	149.20	150000	111.49
Tata Power Co. Ltd. ....	10	600000	225.84	600000	225.84
			3230.82		2877.97
<b>Market Value</b>			11615.00		11907.68
<b>5 ELECTRICALS &amp; ELECTRONICS</b>					
Bharat Electronics Ltd. ....	10	119000	360.38	119000	360.38
Blue Star Ltd. ....	2	80000	289.53	65000	237.04
Cummins India Ltd. ....	2	102100	0.46	102100	0.46
Honda Siel Power Products Ltd. ....	10	-	-	100000	215.47
Siemens Ltd. ....	2	185000	26.12	300000	42.36
Thermax Ltd. ....	2	20000	118.16	17500	5.81
Voltamp Transformers Ltd. ....	10	-	-	25000	214.35
Voltas Ltd. ....	1	9460000	355.70	9540000	358.71
			1150.35		1434.58
<b>Market Value</b>			21928.87		23186.33

## LIST OF INVESTMENTS

Particulars	Face value Rupees	As at 31st March, 2011		As at 31st March, 2010	
		Holding	Book value Rupees (in lacs)	Holding	Book value Rupees (in lacs)
<b>6 ENGINEERING &amp; INFRASTRUCTURE</b>					
Bharat Earth Movers Ltd. ....	10	65000	619.38	-	-
Bharat Heavy Electricals Ltd. ....	10	100000	680.03	100000	680.03
Crompton Greaves Ltd. ....	2	125000	280.49	78750	145.32
Engineers India Ltd. (Previous Year Face Value ₹10) .....	5	166350	183.17	28000	138.08
Godrej Industries Ltd. ....	1	150000	290.68	-	-
Greaves Cotton Ltd. ....	2	300000	280.66	-	-
Kalindee Rail Nirman (Engineers) Ltd.	10	52774	94.87	52774	94.87
KSB Pumps Ltd. ....	10	72000	64.55	72000	64.55
Larsen & Toubro Ltd. ....	2	190000	92.36	190000	92.36
Patel Engineering Ltd. ....	1	85000	345.99	20000	89.78
Punj Lloyd Ltd. ....	2	300000	676.51	220000	577.76
Sanghvi Movers Ltd. ....	2	60000	122.40	-	-
			<b>3731.09</b>		<b>1882.75</b>
<b>Market Value</b>			<b>7892.22</b>		<b>7179.19</b>
<b>7 FAST MOVING CONSUMER GOODS</b>					
Asian Paints (India) Ltd. ....	10	53694	21.88	53694	21.88
Godrej Consumer Products Ltd. ....	1	55000	151.65	45000	117.52
Hindustan Unilever Ltd. ....	1	152500	410.05	60000	160.23
ITC Ltd. ....	1	739020	12.72	369510	12.72
Mount Everest Mineral Water Ltd. ...	10	60000	91.05	60000	91.05
Nestle India Ltd. ....	10	62000	368.01	62000	368.01
Pidilite Industries Ltd. ....	1	1204000	136.17	1340000	151.59
Tata Global Beverages Ltd. (formerly Tata Tea Ltd.) (Previous Year Face Value ₹10) .....	1	27500000	740.02	2750000	740.02
Titan Industries Ltd. ....	10	861282	1710.87	861282	1710.87
			<b>3642.42</b>		<b>3373.89</b>
<b>Market Value</b>			<b>67155.60</b>		<b>48367.19</b>
<b>8 FINANCE &amp; INVESTMENTS</b>					
GIC Housing Finance Ltd. ....	10	1000000	348.30	1000000	348.30
Housing Development Finance Corporation Ltd. (Previous Year Face Value ₹10) .....	2	350000	4.65	70000	4.65
IL & FS Investment Managers Ltd. ...	2	775000	173.62	700000	134.84
Infrastructure Development Finance Company Ltd. ....	10	260000	373.98	-	-
LIC Housing Finance Co. Ltd. (Previous Year Face Value ₹10) .....	2	825000	173.51	200000	210.32
Motilal Oswal Financial Services Ltd.	1	105000	175.45	105000	175.45
Rural Electrification Corporation Ltd.	10	85000	133.75	85000	133.75
Sundaram Finance Ltd. ....	10	-	-	40000	134.52
			<b>1383.26</b>		<b>1141.83</b>
<b>Market Value</b>			<b>6332.49</b>		<b>5321.79</b>
<b>9 HEALTHCARE</b>					
Apollo Hospital Enterprises Ltd. (Previous Year Face Value ₹10) .....	5	35000	96.60	17500	96.60
Biocon Ltd. ....	5	80000	259.97	-	-
Cadila Healthcare Ltd. ....	5	26000	201.35	-	-
Cipla Ltd. ....	2	150000	496.46	-	-
FDC Ltd. ....	1	400000	359.38	177952	141.35
Glaxo Smithkline Pharmaceuticals Ltd.	10	80000	67.70	90000	76.16
Glenmark Pharmaceuticals Ltd. ....	1	222000	24.33	370000	40.53
Hikal Ltd. ....	10	60000	225.97	60000	225.97
Indraprastha Medical Corporation Ltd.	10	920000	439.90	-	-
Merck Ltd. ....	10	70000	256.00	70000	256.00
Opto Circuits India Ltd. ....	10	100000	208.40	100000	208.40
Piramal Healthcare Ltd. ....	2	11152	55.07	-	-
Ranbaxy Laboratories Ltd. ....	5	110000	418.89	85000	310.22
Sun Pharmaceutical Industries Ltd. (Previous Year Face Value ₹ 5) .....	1	750000	34.34	150000	34.34
Torrent Pharmaceuticals Ltd. ....	5	100000	470.16	50000	182.65
			<b>3614.52</b>		<b>1572.22</b>
<b>Market Value</b>			<b>9446.99</b>		<b>7092.28</b>

## LIST OF INVESTMENTS

Particulars	Face value Rupees	As at 31st March, 2011		As at 31st March, 2010	
		Holding	Book value Rupees (in lacs)	Holding	Book value Rupees (in lacs)
<b>10 HOTELS</b>					
EIH Ltd. ....	2	153216	173.06	-	-
Hotel Leelaventure Ltd. ....	2	600000	194.25	600000	194.25
Indian Hotels Co. Ltd. ....	1	9894060	5806.82	10014060	5877.25
Oriental Hotels Ltd. (Previous Year Face Value ₹10) .....	1	1076000	39.03	107600	39.03
Royal Orchid Hotels Ltd. ....	10	-	-	135000	108.46
TAJGVK Hotels & Resorts Ltd. ....	2	68300	8.19	68300	8.19
			<u>6221.35</u>		<u>6227.18</u>
<b>Market Value</b>			<u>9062.69</u>		<u>11091.77</u>
<b>11 INFORMATION TECHNOLOGY</b>					
3i Infotech Ltd. ....	10	400000	357.70	400000	357.70
Financial Technologies (India) Ltd. .	2	20000	231.12	-	-
HCL Infosystems Ltd. ....	2	160000	166.37	-	-
ICSA India Ltd. ....	2	150000	258.45	110000	205.35
Infosys Technologies Ltd. ....	5	31987	223.99	31987	223.99
Infotech Enterprises Ltd. ....	5	200000	354.84	15118	53.20
KPIT Cummins Infosystems Ltd. ....	2	255000	295.73	-	-
NIIT Technologies Ltd. ....	10	105000	203.13	-	-
Nucleus Software Exports Ltd. ....	10	150000	220.33	-	-
Oracle Financial Services Software Ltd.	5	-	-	6000	99.70
Satyam Computer Services Ltd. ....	2	450000	376.69	-	-
Tata Consultancy Services Ltd. ....	1	510452	1621.26	510452	1621.26
Tata Elxsi Ltd. ....	10	900000	1753.15	725000	1258.57
Wipro Ltd. ....	2	135000	589.81	27500	165.39
			<u>6652.57</u>		<u>3985.16</u>
<b>Market Value</b>			<u>12059.69</u>		<u>7983.79</u>
<b>12 MEDIA</b>					
Jagran Prakashan Ltd. ....	2	310000	264.74	260000	207.69
			<u>264.74</u>		<u>207.69</u>
<b>Market Value</b>			<u>398.66</u>		<u>305.76</u>
<b>13 METALS &amp; MINING</b>					
Coal India Ltd. ....	10	45009	110.27	-	-
Graphite India Ltd. ....	2	-	-	200000	110.52
Gujarat Mineral Development Corporation Ltd. ....	2	400000	553.10	-	-
Hindalco Industries Ltd. ....	1	525000	260.93	575000	285.78
Indian Metals & Ferro Alloys Ltd. ....	10	27200	103.90	42000	160.43
Jindal Steel & Power Ltd. ....	1	32500	231.79	32500	231.79
Neyveli Lignite Corporation Ltd. ....	10	-	-	200000	108.20
NMDC Ltd. ....	1	50000	150.00	50000	150.00
Sarda Energy & Minerals Ltd. ....	10	93000	153.85	130000	215.07
Steel Authority of India Ltd. ....	10	285000	362.01	285000	362.01
Tata Sponge Iron Ltd. ....	10	65622	137.18	100000	209.05
Tata Steel Ltd. ....	10	3385000	6147.16	3400000	6174.40
The Tinsplate Company of India Ltd.	10	600000	325.58	600000	325.58
			<u>8535.77</u>		<u>8332.83</u>
<b>Market Value</b>			<u>24607.34</u>		<u>25520.86</u>
<b>14 MOTOR VEHICLES &amp; ANCILLARIES</b>					
Apollo Tyres Ltd. ....	1	125000	61.72	250000	123.46
Bosch Ltd. ....	10	30000	4.59	30000	4.59
Exide Industries Ltd. ....	1	250000	266.36	170000	163.75
Mahindra & Mahindra Ltd. ....	5	440000	60.98	440000	60.98
Maruti Suzuki India Ltd. ....	5	100000	1186.48	49000	545.88
SKF India Ltd. ....	10	200000	32.66	200000	32.66
Sundram Fasteners Ltd. ....	1	300000	2.07	700000	4.80
Tata Motors Ltd. ....	10	2425000	5855.65	2575000	6217.85
Tata Motors Ltd. 'A' Ordinary Shares.	10	526000	2724.79	250000	963.39
			<u>10195.30</u>		<u>8117.36</u>
<b>Market Value</b>			<u>42000.35</u>		<u>26566.26</u>

## LIST OF INVESTMENTS

Particulars	Face value Rupees	As at 31st March, 2011		As at 31st March, 2010	
		Holding	Book value Rupees (in lacs)	Holding	Book value Rupees (in lacs)
<b>15 OIL &amp; NATURAL RESOURCES</b>					
Cairn India Ltd. ....	10	478000	757.01	530000	839.34
Castrol India Ltd. ....	10	100000	156.31	50000	156.31
Gail (India) Ltd. ....	10	425000	355.30	507500	424.25
Gujarat State Petronet Ltd. ....	10	225000	200.74	200000	178.37
Hindustan Oil Exploration Ltd. ....	10	-	-	70000	67.38
Hindustan Petroleum Corp. Ltd. ....	10	185000	575.05	125000	362.25
Indian Oil Corporation Ltd. ....	10	145000	215.06	145000	215.06
Indraprastha Gas Ltd. ....	10	105000	180.35	105000	180.35
MOIL Ltd. ....	10	4731	17.74	-	-
Oil & Natural Gas Corporation Ltd. (Previous year Face Value ₹10) ....	5	368000	822.24	75000	646.65
Oil India Ltd. ....	10	25000	285.97	-	-
Petronet LNG Ltd. ....	10	-	-	700000	183.91
Reliance Industries Ltd. ....	10	252430	1090.58	252430	1090.58
			<u>4656.35</u>		<u>4344.45</u>
<b>Market Value</b>			<u>9837.93</u>		<u>9503.68</u>
<b>16 PAPER , PRINTING &amp; PACKAGING</b>					
Ballarpur Industries Ltd. ....	2	50000	12.11	750000	181.73
J.K.Paper Ltd. ....	10	-	-	550000	203.99
West Coast Paper Mills Ltd. ....	2	375000	183.75	375000	183.75
			<u>195.86</u>		<u>569.47</u>
<b>Market Value</b>			<u>338.96</u>		<u>705.85</u>
<b>17 RETAIL</b>					
Agre Developers Ltd. ....	10	725	-	-	-
Pantaloon Retail (India) Ltd-B-DVR	2	14514	33.11	13514	30.49
Trent Ltd. ....	10	732714	4151.98	732714	4151.98
			<u>4185.09</u>		<u>4182.47</u>
<b>Market Value</b>			<u>7226.47</u>		<u>5924.01</u>
<b>18 TELECOMMUNICATIONS</b>					
Bharti Airtel Ltd. ....	5	-	-	345000	448.19
Idea Cellular Ltd. ....	10	600000	382.85	335000	240.94
Mahanagar Telephone Nigam Ltd..	10	300000	267.93	300000	267.93
			<u>650.78</u>		<u>957.06</u>
<b>Market Value</b>			<u>541.35</u>		<u>1514.91</u>
<b>19 TEXTILES</b>					
Century Textiles & Industries Ltd. ...	10	225000	554.80	140000	133.60
Gokak Textiles Ltd. ....	10	-	-	44334	57.98
Siyaram Silk Mills Ltd. ....	10	-	-	18080	27.05
SRF Ltd. ....	10	10000	29.07	-	-
			<u>583.87</u>		<u>218.63</u>
<b>Market Value</b>			<u>819.47</u>		<u>765.59</u>
<b>20 TRANSPORTATION &amp; LOGISTICS</b>					
Bharati Shipyard Ltd. ....	10	70000	188.53	-	-
Container Corporation of India Ltd.	10	120000	468.38	120000	468.38
Gateway Distriparks Ltd. ....	10	260000	312.75	260000	312.75
Great Eastern Shipping Co.Ltd. ....	10	260000	289.56	300000	334.11
SpiceJet Ltd. ....	10	-	-	300000	158.07
Transport Corporation of India Ltd.	2	220000	233.24	90000	86.84
Varun Shipping Co. Ltd. ....	10	650000	357.02	650000	357.02
			<u>1849.48</u>		<u>1717.17</u>
<b>Market Value</b>			<u>2941.18</u>		<u>3355.56</u>

## LIST OF INVESTMENTS

Particulars	Face value Rupees	As at 31st March, 2011		As at 31st March, 2010	
		Holding	Book value Rupees (in lacs)	Holding	Book value Rupees (in lacs)
<b>21 MISCELLANEOUS &amp; DIVERSIFIED</b>					
Aditya Birla Nuvo Ltd. ....	10	150000	797.61	70000	174.33
Bajaj Hindusthan Ltd. ....	1	160000	280.70	120000	235.67
Forbes & Company Ltd. ....	10	-	-	19000	19.38
Greenply Industries Ltd. ....	5	19936	28.31	55000	75.90
Kesoram Industries Ltd. ....	10	75000	258.45	60000	211.98
PVR Ltd. ....	10	400000	480.14	140000	167.29
Supreme Industries Ltd. (Previous Year Face Value ₹10) .....	2	36630	35.82	5000	23.84
The Phoenix Mills Ltd. ....	2	185171	385.92	100000	182.08
			<u>2266.95</u>		<u>1090.47</u>
<b>- Market Value</b>			<u>2345.66</u>		<u>1660.01</u>
<b>Total of Listed Equity Shares - Book Value</b>			<u>75863.16</u>		<u>62603.14</u>
<b>- Market Value</b>			<u>311318.63</u>		<u>267801.71</u>
<b>MUTUAL FUNDS FULLY PAID :-</b>					
Benchmark Mutual Fund Gold Bees. ....	100	14000	223.28	14000	223.28
Benchmark Mutual Fund Nifty Bees. ....	10	10000	44.85	202500	903.93
Benchmark Mutual Fund Nifty Junior. ....	1.25	-	-	525000	483.32
Kotak Nifty ETF .....	10	130000	750.37	-	-
			<u>1018.50</u>		<u>1610.53</u>
<b>DEBENTURES/BONDS FULLY PAID :-</b>					
Deccan Chronicle Holdings Ltd 2011 12.50% Bonds. ....	10000000	5	525.03	5	525.03
Export Import Bank of India 2010 11.50% (8th Series) Bonds. ....	1000	-	-	3000	29.49
Government of India 8.13% 2022 Bonds. ....	100	1500000	1504.45	-	-
Indian Hotels Co.Ltd 2010 9.86% Debentures. ....	1000000	-	-	50	505.72
Mahindra & Mahindra Ltd 2011 9.15% Debentures. ....	1000000	-	-	50	502.06
Power Finance Corp. Ltd 2018 9.68% Debentures. ....	1000000	50	519.50	50	519.50
Rural Electrification Corp. Ltd 2015 8.45% Debentures. ....	1000000	100	1000.10	100	1000.10
Rural Electrification Corp. Ltd 2019 8.65% Bonds. ....	1000000	-	-	50	500.00
Rural Electrification Corp. Ltd 2018 9.07% Bonds. ....	1000000	50	513.36	50	513.36
State Bank of India 2023 8.90% Bonds. ....	1000000	-	-	50	512.77
Tata Chemicals Ltd 2019 10.00% Debentures. ....	1000000	40	400.00	40	400.00
Tata Communications Ltd 2014 9.50% Debentures. ....	1000000	50	500.05	50	500.05
Tata Motors Ltd 2020 9.95% Debentures. ....	1000000	100	1000.00	100	1000.00
Tata Sons Ltd 2014 10.30% Debentures. ....	1000000	50	510.12	50	510.12
Tata Steel Ltd 2011 9.80% Debentures. ....	1000000	100	976.47	100	976.47
Tata Steel Ltd 2015 10.20% Debentures. ....	1000000	100	943.65	100	943.65
Tata Steel Ltd 2019 10.40% Debentures. ....	1000000	100	1000.85	100	1000.85
Tata Tea Ltd 2010 9.40% Debentures. ....	1000000	-	-	50	500.22
			<u>9393.58</u>		<u>10439.39</u>
<b>PREFERENCE SHARES FULLY PAID :-</b>					
Trent Ltd - 0.1% CCPS - Series A ....	10	212008	1228.83	-	-
Trent Ltd - 0.1% CCPS - Series B ....	10	212008	1228.83	-	-
			<u>2457.66</u>		<u>-</u>
<b>TRADEABLE WARRANTS :-</b>					
Greenply Industries Ltd. ....		-	-	19936	-
			<u>88732.90</u>		<u>74653.06</u>

## LIST OF INVESTMENTS

Particulars	Face value Rupees	As at 31st March, 2011		As at 31st March, 2010	
		Holding	Book value Rupees (in lacs)	Holding	Book value Rupees (in lacs)
<b>LIST 2: UNQUOTED :-</b>					
<b>EQUITY SHARES FULLY PAID :-</b>					
<b>INDIAN</b>					
Amalgamated Plantations Pvt.Ltd. . . . .	10	15000000	1500.00	15000000	1500.00
Credit Analysis & Research Ltd. ....	10	136000	11.52	236000	20.00
Fiora Services Ltd. ....	100	10500	10.50	10500	10.50
Indbazar.com Ltd. ....	10	50000	52.50	50000	52.50
Indian Seamless Enterprise Ltd. ....	10	67210	33.61	67210	33.61
Jamipol Ltd. ....	10	250000	25.00	250000	25.00
Mecklai Financial & Commercial Services Ltd. ....	10	15000	50.00	15000	50.00
National Stock Exchange of India Ltd.	10	58000	2064.21	58000	2064.21
Piem Hotels Ltd. ....	10	35000	0.55	35000	0.55
Quikjet Cargo Airlines Pvt.Ltd. ....	10	3818182	420.00	3818182	420.00
Ratnakar Bank Ltd. ....	10	-	-	1100000	495.00
Ritspin Synthetics Ltd. ....	10	100000	10.00	100000	10.00
Rujuvalika Investments Ltd. ....	10	183333	30.00	183333	30.00
Tata Asset Management Ltd. ....	10	5265457	1950.09	5265457	1950.09
Tata Autocomp Systems Ltd. ....	10	2720054	702.68	2720054	702.68
Tata Capital Ltd. ....	10	65102888	7815.43	65000000	7800.00
Tata Industries Ltd. ....	100	676790	1133.89	451193	513.50
Tata Services Ltd. ....	1000	270	2.70	270	2.70
Tata Sons Ltd (the holding company)	1000	326	193.27	326	193.27
Tata Teleservices Ltd. ....	10	5337157	1756.84	4993183	1579.35
Tata Trustee Company Ltd. ....	10	25000	2.62	25000	2.62
TCL Developers Ltd. ....	10	8750	-	-	-
Trinity India Ltd. ....	10	596049	65.39	596049	65.39
			<b>17830.80</b>		<b>17520.97</b>
<b>PAKISTAN</b>					
Electronic & Film Equipment Co. Ltd.	100	350	-	350	-
Karachi Electric Supply Construction Ltd. ....	100	27.5	-	27.5	-
Pakistan International Airlines Corporation 'A' ....	10	5000	-	5000	-
Malik Diesel Ltd. (Rs 25 partly paid)	50	500	-	500	-
			-		-
<b>SRI LANKA</b>					
Doomoo Tea Co. of Ceylon Ltd. ....	10	2500	*	2500	*
Estates Co. of Uva Ltd. ....	10	3581	*	3581	*
Guardian Capital Partners PLC (Form.Watapota Investments PLC.)	10	2720	*	2720	*
Great Western Tea Co.,of Ceylon Ltd.	10	1750	*	1750	*
Hunuwella Tea & Rubber Co. Ltd. ...	10	3750	*	3750	*
Kandyan Hills Co. Ltd. ....	10	1000	*	1000	*
Marigold Tea Estates Ltd. ....	10	1000	*	1000	*
Mayen (Ceylon) Tea & Rubber Co.Ltd.	10	1875	*	1875	*
Mirishena (Kalutara) Rubber Co.Ltd.	10	1400	*	1400	*
Mocha Tea Co.of Ceylon Ltd. ....	10	1700	*	1700	*
Nahavilla Estates Co.Ltd. ....	10	6900	*	6900	*
Neuchatel Estates Ltd. ....	7	5377	*	5377	*
Opalgalla Tea & Rubber Estates Ltd.	9	3519	*	3519	*
Pelmadulla Valley Tea & Rubber Co. Ltd. ....	10	675	*	675	*
Poonagalla Valley Ceylon Co. Ltd. ...	10	5917	*	5917	*
Roeberry Tea Co. of Ceylon Ltd. ....	10	1600	*	1600	*
Saffragam Rubber & Tea Co. of Ceylon Ltd. ....	10	4000	*	4000	*
St.James (Uva) Tea Co. Ltd. ....	10	7800	*	7800	*
Stratheden Tea Co. Ltd. ....	10	9900	*	9900	*
Strathspey Tea Co. Ltd. ....	10	5916	*	5916	*
Uplands Tea Estates of Ceylon Ltd.	10	3600	*	3600	*
Uva Highlands Tea Co. Ltd. ....	10	1200	*	1200	*
Vogan Tea Co. of Ceylon Ltd. ....	1	12600	*	12600	*
			<b>17830.80</b>		<b>17520.97</b>

## LIST OF INVESTMENTS

Particulars	Face value Rupees	As at 31st March, 2011		As at 31st March, 2010	
		Holding	Book value Rupees (in lacs)	Holding	Book value Rupees (in lacs)
<b>MUTUAL FUNDS FULLY PAID :-</b>					
<b>(a) Debt Mutual Funds</b>					
Birla Sun Life Cash Plus Institutional Plan.(Growth)	10	14488870	2254.66	-	-
Birla Sun Life Savings Fund Institutional Plan.(Growth)	10	-	-	13595519	2241.33
HDFC Cash Management Fund-Treasury Advantage Plan.(Growth)	10	-	-	29632783	5700.00
HDFC Liquid Fund - Premium Plus Plan (Growth)	10	12044233	2350.00	-	-
ICICI Prudential Blended Plan-Option A-Growth	10	-	-	9574946	1300.00
ICICI Prudential Flexible Income Plan-Growth	100	-	-	617060	1011.20
ICICI Prudential Liquid SIP - Growth	100	1541650	2200.00	-	-
IDFC Money Manager Fund-TP-SIP (Growth)	10	-	-	24118740	2511.42
Kotak Floater-Long Term.(Growth)	10	-	-	25596980	3550.00
LIC MF Income Plus Fund (Growth)	10	-	-	8915256	1100.00
Principal Money Manager Fund - Institutional Plan (Growth)	10	-	-	9526078	1000.00
SBI HF Ultra Short Term Fund - Institutional Plan (Growth)	10	-	-	25067887	2900.00
Tata Floater Fund.(Growth)	10	-	-	42837898	5785.57
Tata Liquid Super High Investment Fund.(Growth)	1000	130140	2338.36	11776	200.00
			<u>9143.02</u>		<u>27299.52</u>
<b>(b) Equity Mutual Funds</b>					
HDFC Arbitrage Fund-Institutional Plan (Growth)	10	-	-	10657194	1200.00
HDFC Top 200 Fund (Growth)	10	233806	500.00	-	-
			<u>500.00</u>		<u>1200.00</u>
			<u>9643.02</u>		<u>28499.52</u>
<b>Mutual Funds Fully Paid</b>					
<b>VENTURE CAPITAL FUNDS FULLY PAID :-</b>					
India Advantage Fund Series 3	100	150000	150.00	50000	50.00
Indiareit Fund	100000	366	365.81	415	414.82
Milestone Real Estate Fund	1000	161914	1619.14	200000	2000.00
Multiples Private Equity Fund Scheme	100000	50	50.00	-	-
TVS Shriram Private Equity Fund	1000	35000	350.00	20000	200.00
			<u>2534.95</u>		<u>2664.82</u>
<b>PREFERENCE SHARES FULLY PAID :-</b>					
Roots Corporation Ltd.5% Cum. Convt.Pref.Shares	100	2000000	2000.00	2000000	2000.00
Tata Autocomp Systems Ltd. 8% Cum.Red.(Red.30/09/2012)	10	10000000	1000.00	10000000	1000.00
Tata Autocomp Systems Ltd. 8% Cum.Red.(Red.31/10/2012)	10	5000000	500.00	5000000	500.00
Tata Sons Ltd (the holding company) 7% Cum.(Red.30/12/2011)	1000	100000	1000.00	100000	1000.00
Tata Sons Ltd (the holding company) 7% Cum.(Red.31/12/2012)	1000	200000	2000.00	200000	2000.00
			<u>6500.00</u>		<u>6500.00</u>
			<u>36508.77</u>		<u>55185.31</u>
<b>LIST 3 : CURRENT INVESTMENTS :-</b>					
<b>QUOTED EQUITY SHARES FULLY PAID :-</b>					
ACC Ltd.	10	-	-	12500	91.76
Axis Bank Ltd.	10	30000	390.83	-	-
Bharat Electronics Ltd.	10	25000	440.21	-	-
Bharat Heavy Electricals Ltd.	10	25000	594.16	8000	179.24
ITC Ltd.	1	-	-	100000	192.52
NTPC Ltd.	10	120000	237.39	120000	237.39
Reliance Industries Ltd.	10	204000	2149.54	105000	1094.89
State Bank of India	10	15000	414.40	-	-
Tata Consultancy Services Ltd.	1	45000	495.60	-	-
			<u>4722.13</u>		<u>1795.80</u>

\* Denotes amount less than ₹500



## SCHEDULE FORMING PART OF THE BALANCE SHEET

## SCHEDULE 'E' CURRENT ASSETS, LOANS AND ADVANCES

	Rupees (in lacs)	Rupees (in lacs)	Rupees (in lacs)	As at 31-03-2010 Rupees (in lacs)
<b>(a) Sundry Debtors:-</b>				
(Unsecured and considered good, less than six months) .....			653.83	-
<b>(b) Cash and Bank balances:-</b>				
With scheduled banks:				
1. On current accounts* .....	721.72			242.83
2. On deposit accounts .....	20200.00			11200.00
		20921.72		11442.83
With other banks, viz. Hatton National Bank Ltd., Colombo (Realisability of these balances are subject to exchange control restrictions in Sri Lanka) :-				
1. On current account - Maximum balance during the year ₹1.56 lacs (Previous Year ₹0.39 lacs) .....	1.42			0.24
2. On deposit account - Maximum balance during the year ₹26.30 lacs (Previous Year ₹28.08 lacs) .....	26.03			25.20
		27.45		25.44
			20949.17	11468.27
*includes ₹2.23 lacs (Previous Year ₹2.68 lacs) held in escrow account towards matured deposits and interest thereon.				
<b>(c) Other Current Assets:-</b>				
i) Dividends declared but not received .....		0.75		42.00
ii) Interest accrued but not due .....		483.81		617.27
			484.56	659.27
<b>(d) Loans and Advances:-</b>				
(Unsecured and considered good)				
(i) Loan to employees .....		14.74		14.93
(ii) Intercompany deposits .....		12850.00		10500.00
(iii) Interest accrued on loans and deposits .....		392.32		125.43
(iv) Advances recoverable in cash or in kind or for value to be received [includes ₹Nil (Previous Year ₹0.98 lacs) receivable from the Holding Company] .....		320.06		319.88
(v) Advance taxes (net of provisions) .....		69.81		63.39
			13646.93	11023.63
			35734.49	23151.17

## SCHEDULE FORMING PART OF THE BALANCE SHEET

### SCHEDULE 'F' CURRENT LIABILITIES AND PROVISIONS

	Rupees (in lacs)	Rupees (in lacs)	Rupees (in lacs)	As at 31-03-2010 Rupees (in lacs)
<b>(a) Current Liabilities:-</b>				
(i) Sundry creditors (other than micro and small enterprises) [See Notes 1 and 2 below] .....		555.90		444.73
(ii) Investor Education and Protection Fund shall be credited by the following [See Notes 3 and 4 below] :-				
a) Unpaid dividends .....	121.01			116.81
b) Unpaid matured deposits .....	1.82			2.13
c) Unpaid matured debentures (including premium of redemption) .....	-			0.30
d) Interest accrued on (a) to (c) above .....	0.41			0.55
		123.24		119.79
(iii) Other liabilities .....		12.77		11.02
			<b>691.91</b>	<b>575.54</b>
<b>(b) Provisions:-</b>				
(i) Employee benefits liability .....		153.35		211.66
(ii) Contingent provision against standard assets (as per RBI regulations) .....		36.78		-
(iii) Provision for taxation (net of advance taxes) .....		40.37		40.36
(iv) Provision for fringe benefit tax (net of advance taxes) ....		4.70		2.80
			<b>235.20</b>	<b>254.82</b>
			<b>927.11</b>	<b>830.36</b>

#### Notes:

- None of the creditors have declared themselves under the Micro, Small and Medium Enterprises Development Act, 2006.  
The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.
- Sundry Creditors includes ₹Nil (Previous Year ₹4.05 lacs) in respect of capital expenditure.
- The actual amount to be transferred to the Investor Education and Protection Fund in respect of items (ii) (a) to (d) shall be determined on the due dates.
- Cheques had been issued by the Company in respect of items (ii) (a) to (d) which have not been encashed by the respective parties.

## SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

## SCHEDULE 'G' INTEREST

	Rupees (in lacs)	Previous Year Rupees (in lacs)
Interest Received :-		
(i) On Investments [Tax deducted at source ₹9.71 lacs (Previous Year ₹4.99 lacs) and includes ₹175.55 lacs on current investments (Previous Year ₹Nil)] .....	1151.95	1319.21
(ii) On Loans and Advances [Tax deducted at source ₹275.31 lacs (Previous Year ₹215.74 lacs)] .....	2587.02	1506.27
	<b>3738.97</b>	<b>2825.48</b>
Less: Interest paid on Fixed Loans .....	81.88	-
	<b>3657.09</b>	<b>2825.48</b>

## SCHEDULE 'H' OTHER INCOME

	Rupees (in lacs)	Previous Year Rupees (in lacs)
(1) Net profit on sale of fixed assets .....	-	0.64
(2) Provision for diminution in value of investments, no longer required, written back (net) [including ₹Nil for current investments (Previous Year ₹116.49 lacs)] .....	174.68	272.93
(3) Compensation on waiver of certain obligations of promoters of an investee company	209.53	-
(4) Miscellaneous - Gross [includes profit on foreign exchange ₹0.83 lacs (Previous Year ₹Nil)]	30.99	3.94
	<b>415.20</b>	<b>277.51</b>

SCHEDULE 'I'  
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

	Rupees (in lacs)	Previous Year Rupees (in lacs)
(1) Salaries .....	495.69	366.35
(2) Contributions to provident and other funds .....	44.33	29.52
(3) Employees' welfare .....	46.97	46.41
(4) Retiring gratuities including contribution to gratuity fund .....	29.40	1.33
	<b>616.39</b>	<b>443.61</b>

## SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT

### SCHEDULE 'J' OTHER EXPENDITURE

	Rupees (in lacs)	Rupees (in lacs)	Previous Year Rupees (in lacs)
(1) Miscellaneous [includes loss on foreign exchange ₹Nil (Previous Year ₹2.90 lacs) and loss on write off of fixed assets ₹0.03 lacs (Previous Year ₹Nil)] .....		220.28	252.64
(2) Donations .....		120.25	119.60
(3) Insurance .....		1.45	1.03
(4) Rent .....		53.20	26.98
(5) Commission/Sitting fees to non-whole time directors (See Note 10 to Schedule K) .....		95.00	88.40
(6) Repairs and Maintenance :			
a) Plant and Machinery .....	14.56		3.14
b) Buildings .....	0.78		0.81
c) Others .....	4.77		4.03
		20.11	7.98
(7) Auditors' Remuneration :			
(i) Statutory Auditors*			
a) Audit fees .....	9.00		9.00
b) Tax audit fees .....	2.20		2.20
c) Other services .....	9.45		9.40
d) Service tax .....	2.14		2.12
e) Out-of-pocket expenses .....	0.14		0.03
		22.93	22.75
(ii) Fees paid to Internal Auditors .....	4.41		4.41
		27.34	27.16
(8) Contingent provision against standard assets of NBFCs' (as per RBI regulations) .....		36.78	-
		574.41	523.79

\* includes payment made to a firm in which some of the partners of audit firm are partners.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

## 1. Significant Accounting Policies:

## (i) Basis of Preparation of Financial Statements.

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

## (ii) The preparation of the financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including the contingent liabilities) and the reported income and expenses during the reporting period. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. The differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

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

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

## (e) Leasehold assets are amortised equitably over the remaining period of the lease.

## (iv) Income from Dividend is accounted as and when such dividend has been declared and the Company's right to receive payment is established.

Interest income is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.

## (v) a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the period in which the related service is rendered.

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

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

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

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

## (vii) Income tax expense comprises current tax and deferred tax charge or credit. The current tax is determined as the amount of tax payable in respect of the estimated taxable income for the period. The deferred tax charge or credit is recognised using prevailing enacted or substantively enacted tax rates. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future. Deferred tax assets/liabilities are reviewed at each balance sheet date based on developments during the year and available case laws to reassess realisation/liabilities.

2. In accordance with the High Court Orders dated 27th September, 2002, 30th January, 2009 and 25th September, 2009 and the Accounting Practice adopted earlier, provision for diminution in the value of investments (Long Term and Current) are adjusted to the securities premium account instead of Profit and Loss Account as prescribed under Accounting Standard (AS) 13 on 'Accounting for Investments'.

As a consequence, an amount of Rs.131.94 lacs (Previous Year Rs.1541.57 lacs) has been credited to the securities premium account being write back of provision for diminution in value of certain investments no longer required, which had been debited to such account in earlier years.

	Rupees (in lacs)	Previous Year Rupees (in lacs)
<b>3. (i) Contingent Liabilities -</b>		
a) Uncalled liability on partly paid shares .....	0.13	0.13
b) Income tax matters decided in the Company's favour by appellate authorities, where the department is in further appeal .....	37.62	37.62
c) Claims against the Company not acknowledged as debts in respect of income tax matters .....	558.20	558.20
<b>(ii) Commitments -</b>		
Uncalled liability on investments in Venture Capital Funds .....	950.00	750.00
<b>4. Expenditure in foreign currency -</b>		
a) For professional fees .....	0.13	0.13
b) For bank charges .....	—	0.01
c) For purchase of investments .....	—	7800.00
<b>5. Earnings in foreign currency -</b>		
a) Interest received on deposits .....	1.62	2.77
b) Dividend received (kept in Suspense, pending receipt in India) .....	1.32	0.18
6. Foreign exchange currency exposures not covered with regard to the (non-repatriable) deposit placed with Hatton National Bank, Colombo, of Sri Lankan Rs.64.25 lacs Previous Year Sri Lankan Rs.64.25 lacs (Equivalent Indian ₹26.03 lacs; Previous Year equivalent Indian ₹25.20 lacs).		
7. As the Company has no activities other than those of an investment company, the segment reporting under Accounting Standard 17 – “Segment Reporting” is not applicable. The Company does not have any reportable geographical segment.		
<b>8. Related Parties Disclosures</b>		
a) <b>List of Related Parties and Relationship</b>		
<b>Promoter and holding company</b>		
Tata Sons Ltd.		
<b>Associates</b>		
1. Tata Asset Management Ltd.		
2. Tata Trustee Company Pvt. Ltd.		
3. Amalgamated Plantations Pvt. Ltd. (w.e.f. 29.4.2009)		
<b>Key Management Person (KMP)</b>		
1. Mr. M. J. Kotwal		
2. Mr. A.N. Dalal (w.e.f 1.1.2010)		

**Other subsidiaries of Promoter :- (with whom the Company has transactions)**

- |  |   |
|--|---|
| 1. Ewart Investments Limited                 | 2. Infiniti Retail Limited                      |
| 3. Panatone Finvest Ltd.                     | 4. Tata Autocomp Systems Ltd. (w.e.f. 1.9.2010) |
| 5. Tata Capital Limited                      | 6. Tata Consultancy Services Limited            |
| 7. Tata Consulting Engineers Limited         | 8. Tata Housing Development Co. Limited         |
| 9. Tata Industries Limited (w.e.f. 1.9.2010) | 10. Tata Realty and Infrastructure Limited      |
| 11. Tata Securities Limited                  | 12. Tata Sky Ltd.                               |
| 13. Tata Teleservices Ltd.                   | 14. Tata Teleservices (Maharashtra) Ltd.        |
| 15. TC Travel & Services Limited             |   |

**b) Related Party Transactions**

Rupees (in lacs)

	2010-11				2009-10			
	Promoter	Associates	Other Subsidiaries of Promoter	KMP	Promoter	Associates	Other Subsidiaries of Promoter	KMP
1. Subscription to equity shares .....	—	—	797.88	—	—	2.00	—	—
2. Interest on debentures .....	51.50	—	—	—	48.40	—	—	—
3. Dividends received .....	232.82	574.91	334.17	—	232.82	432.25	43.39	—
4. Dividends Paid .....	5032.59	—	121.73	0.98	6666.12	—	179.33	1.02
5. Fees paid for professional services ...	—	—	—	—	5.52	—	—	—
6. Deposits placed .....	—	—	11200.00	—	—	—	19800.00	—
7. Deposits withdrawn .....	—	—	13200.00	—	5000.00	—	19000.00	—
8. Interest on deposit placed .....	—	—	452.80	—	27.33	—	700.31	—
9. Purchase of investments .....	15.43	—	—	—	—	—	—	—
10. Purchase of fixed assets .....	—	—	2.35	—	—	—	1.35	—
11. Brand equity subscription expense ..	67.11	—	—	—	63.38	—	—	—
12. Rent Reimbursement / Paid .....	0.26	—	52.94	—	0.51	—	26.47	—
13. Brokerage paid .....	—	—	6.10	—	—	—	6.71	—
14. Telephone call charges .....	—	—	2.53	—	—	—	1.17	—
15. Other expenses .....	22.25	—	0.86	—	44.49	—	—	—
16. Remuneration paid .....	—	—	—	296.58	—	—	—	129.33
Debit balance outstanding at year end - outstanding receivables .....	548.40	—	3327.08	—	549.38	—	5361.93	—
Credit balance outstanding at year end - outstanding payables .....	211.58	—	0.16	85.00	203.80	—	—	41.60

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

Rupees (in lacs)

	2010-2011			2009-2010		
	Associates	Other subsidiaries of Promoter	KMP	Associates	Other subsidiaries of Promoter	KMP
<b>Subscription to equity shares</b>						
Tata Trustee Co. Pvt. Ltd. ....	—	—	—	2.00	—	—
Tata Industries Ltd. ....	—	620.39	—	—	—	—
Tata Teleservices Ltd. ....	—	177.49	—	—	—	—
<b>Dividends received</b>						
Tata Asset Management Ltd. ....	394.91	—	—	342.25	—	—
Amalgamated Plantations Pvt. Ltd. ....	180.00	—	—	90.00	—	—
Tata Autocomp Systems Ltd. ....	—	232.08	—	—	—	—
<b>Deposits placed</b>						
Tata Autocomp Systems Ltd. ....	—	2500.00	—	—	—	—
Infiniti Retail Ltd. ....	—	2500.00	—	—	4500.00	—
Tata Realty and Infrastructure Ltd. ....	—	—	—	—	5000.00	—
Tata Sky Ltd. ....	—	1500.00	—	—	5000.00	—
Tata Consulting Engineers Ltd. ....	—	1500.00	—	—	2500.00	—
Tata Housing Development Co. Ltd. ....	—	—	—	—	2500.00	—
Tata Capital Ltd. ....	—	2500.00	—	—	—	—
<b>Deposits withdrawn</b>						
Tata Consulting Engineers Ltd. ....	—	2500.00	—	—	—	—
Infiniti Retail Ltd. ....	—	2500.00	—	—	6500.00	—
Tata Realty and Infrastructure Ltd. ....	—	—	—	—	5000.00	—
Tata Sky Ltd. ....	—	2500.00	—	—	4000.00	—
Tata Housing Development Co. Ltd. ....	—	—	—	—	2500.00	—
Tata Capital Ltd. ....	—	2500.00	—	—	—	—
Tata Realty and Infrastructure Ltd. ....	—	2500.00	—	—	—	—
<b>Interest on deposit placed</b>						
Infiniti Retail Ltd. ....	—	93.36	—	—	180.85	—
Tata Realty & Infrastructure Ltd. ....	—	55.68	—	—	233.46	—
Tata Sky Ltd. ....	—	27.95	—	—	200.34	—
Tata Consulting Engineers Ltd. ....	—	109.23	—	—	—	—
Tata Capital Ltd. ....	—	52.67	—	—	—	—
<b>Purchase of Fixed Assets</b>						
Infiniti Retail Ltd. ....	—	2.35	—	—	1.35	—
<b>Rent Paid</b>						
Ewart Investments Ltd. ....	—	52.94	—	—	26.47	—
<b>Brokerage paid</b>						
Tata Securities Ltd. ....	—	6.10	—	—	6.71	—
<b>Telephone call charges</b>						
Tata Teleservices (Maharashtra) Ltd. ....	—	2.53	—	—	1.17	—
<b>Remuneration Paid</b>						
Mr. M. J. Kotwal ....	—	—	101.43	—	—	83.04
Mr. A.N. Dalal ....	—	—	195.15	—	—	46.29

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

10. Managerial Remuneration :

(a) Computation of net profits Under Section 309(5) read with Section 349 of the Companies Act, 1956

	Rupees (in lacs)	Previous Year Rupees (in lacs)
Profit before taxes per Profit and Loss Account .....	23446.65	22280.55
Add: Non-whole time Directors' remuneration [including sitting fees of Rs.15.00 lacs (Previous Year Rs.18.40 lacs) and net of excess provision of previous year of Rs.5.00 lacs (Previous Year Rs.Nil)] .....	95.00	88.40
Whole time Directors' remuneration .....	296.58	129.33
Loss on write off of fixed assets .....	0.03	—
Contingent provision against standard assets .....	36.78	—
	<u>23875.04</u>	<u>22498.28</u>
Less: Net Profit on sale of investments .....	14790.44	15041.51
Net Profit on sale of fixed assets .....	—	0.64
Provision for diminution in value of investments, no longer required, written back ....	174.68	272.93
	<u>8909.92</u>	<u>7183.20</u>
1% of above .....	<u>89.09</u>	<u>71.83</u>
<b>Commission to the Non-Whole time Directors .....</b>	<u>85.00</u>	<u>70.00</u>



- (b) Remuneration, commission, perquisites and contribution to Provident and Superannuation Funds in respect of the Whole time Directors (excluding gratuity, leave salary provision and group insurance premium) included in the Profit and Loss Account is Rs.296.58 lacs (Previous Year Rs.129.33 lacs), as per details given below :

	Rupees (in lacs)	Previous Year Rupees(in lacs)
Remuneration .....	193.74	77.81
Commission .....	85.00	40.00
Perquisites .....	4.94	4.61
Contribution to Provident and Superannuation Funds .....	12.90	6.91
	<u>296.58</u>	<u>129.33</u>

**11. Employee benefits :**
**Defined benefit plans – As per actuarial valuation as at 31st March, 2011**

		Gratuity(Funded) Rupees (In lacs)	Previous Year Gratuity(Funded) Rupees (In lacs)
A	Expenses recognised in the statement of Profit and Loss Account for the year		
	1. Current service cost	8.69	7.56
	2. Interest cost	12.89	10.74
	3. Expected return on plan assets	(12.56)	(10.71)
	4. Net actuarial (gain)/loss recognised during the year	20.38	(6.26)
	5. Expenses / (Income) recognised in the Profit and Loss Account (Schedule '1')	29.40	1.33
B	Actual return on plan assets for the year		
	1. Expected return on plan assets	12.56	10.71
	2. Actuarial gain / (loss) on plan assets	0.07	—
	3. Actual return on plan assets	12.63	10.71
C	Net Asset/(Liability) recognised in the Balance Sheet at the end of the year		
	1. Present value of the Defined Benefit obligation	196.16	152.40
	2. Fair value of plan assets	196.16	152.40
	3. Net Asset/(Liability) recognised in the Balance Sheet	—	—
D	Changes in Defined benefit obligation during the year		
	1. Present value of the Defined benefit obligation at the beginning of the year	152.40	143.19
	2. Current service cost	8.69	7.56
	3. Interest cost	12.89	10.74
	4. Benefits paid	—	(2.83)
	5. Actuarial (gain)/loss on obligation	20.45	(6.26)
	6. Liabilities assumed on acquisition	1.73	—
	7. Present value of obligation as at the end of the year	196.16	152.40
E	Changes in Fair Value of plan assets during the year		
	1. Fair value of plan assets at the beginning of the year	152.40	143.19
	2. Expected return on plan assets	12.56	10.71
	3. Contributions made	29.40	1.33
	4. Benefits paid	—	(2.83)
	5. Actuarial gain/(loss) on plan assets	0.07	—
	6. Assets acquired on acquisition	1.73	—
	7. Fair value of plan assets at the end of the year	196.16	152.40
F	Major Categories of plan assets as a percentage of total plan assets		
	1. Central Government Securities	21.88%	28.16%
	2. State Government Securities	3.84%	—
	3. Public Sector Bonds	58.19%	67.87%
	4. Cash at Bank	16.09%	3.97%
G	Actuarial assumptions		
	1. Discount rate	8.10%	8.00%
	2. Expected rate of return on plan assets	8.25%	8.24%

		Previous Year	
		Gratuity (Funded) Rupees (In lacs)	Gratuity (Funded) Rupees (In lacs)
H	Experience adjustments		
	1. On Plan liabilities	21.48	(6.26)
	2. On Plan assets	0.07	—
I	Other long term benefits		
	The defined benefit obligations which are provided for but not funded are as under :-		
	1. Long Service Award	23.30	39.19
	2. Compensated Absences	130.05	172.47

**Notes :**

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

	(Rs. in lacs)	Previous Year (Rs. In lacs)
Compensated absences and long service awards (included under salaries) .....	(41.41)	7.62
Retiring gratuities including contribution to gratuity fund .....	29.40	1.33
Contributions to provident and other funds include		
- Provident Fund .....	23.35	14.72
- Superannuation Fund .....	17.97	14.60
- Employees' State Insurance Scheme .....	3.01	0.20
	<b>As at 31.3.2011</b>	<b>As at 31.3.2010</b>
<b>12. Details of Earnings per share :-</b>		
i) Profit computation for both basic and diluted earnings per share of Rs.10/- Net Profit as per Profit and Loss Account available for Ordinary shareholders Rupees (in lacs) .....	<b>19858.86</b>	19391.59
ii) Weighted average number of Ordinary shares for computing –		
a) Basic earnings per share .....	<b>4,82,37,074</b>	3,90,65,198
b) Diluted earnings per share .....	<b>5,00,88,974</b>	4,92,75,568
iii) Earnings per Ordinary share (Weighted average) (As per Accounting Standard 20 – Earnings Per Share)		
Basic (Rupees) .....	<b>41.17</b>	49.64
Diluted (Rupees) .....	<b>39.65</b>	39.35

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

14. The following additional information (other than what is already disclosed elsewhere) is disclosed in terms of RBI Circular (Ref. No.DBNS.200/CGM CPR-2008) dated 1st August, 2008.

(a) **Capital to Risk Assets Ratio (CRAR) -**

Items	Current Year*	Previous Year
i) CRAR (%)	115.01	107.04
ii) CRAR – Tier I capital (%)	114.98	107.04
iii) CRAR – Tier II capital (%)	0.03	-

\*NBS-7 return yet to be filed.

(b) **Exposure to Real Estate Sector -**

Category		Current Year	Previous Year
		(Rs. In lacs)	
a)	<b>Direct exposure</b>		
i)	<b>Residential Mortgages -</b> Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	—	—
ii)	<b>Commercial Real Estate -</b> Lending secured by mortgages on commercial real estates Exposure would also include non-fund based (NFB) limits;	—	—
iii)	<b>Investments in Mortgage Backed Securities (MBS) and other securitised exposures -</b>		
	a. Residential	—	—
	b. Commercial Real Estate	—	—
b)	<b>Indirect Exposure</b>		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs) #	2885.39	2978.09

# represents investments in equity shares/venture capital funds.

(c) **Asset Liability Management -**

**Maturity pattern of certain items of assets and liabilities as on 31.3.2011**

(Rs. in crores)

	1 day to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
<b>Liabilities</b>									
Borrowings from banks	—	—	—	—	—	—	—	—	—
Market Borrowings	—	—	—	—	—	—	—	—	—
<b>Assets</b>									
Advances	8.69	—	25.05	70.00	25.00	—	—	—	128.74
Investments @	91.43	—	9.76	—	61.97	45.10	24.44	74.73	307.43

@ Equity shares and fully convertible preference shares amounting to Rs.983.45 crores, are not included above, since there is no set maturity pattern for the same.

In compiling the information in the above note, certain assumptions have been made by the Company and the same have been relied upon by the Auditors.

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

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration Details**

Registration No.2622	State Code 11
	Maharashtra
Balance Sheet Date:	31.3.2011

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

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

Total Liabilities (Excludes Current Assets)	163968.62	Total Assets (Net of Current Liabilities)	163968.62
<b>Sources of Funds</b>		<b>Application of Funds</b>	
Paid up capital	4823.71	Net Fixed Assets	72.80
Reserves & Surplus	159144.91	Investments	129088.44
		Net Current Assets	34807.38
Secured Loans	Nil	Miscellaneous Expenditure	Nil
Unsecured Loans	Nil	Accumulated Losses	Nil

**IV. Performance of Company (Rupees in lacs)**

Turnover	
viz. Total Income	24727.83
Total Expenditure	1281.18
Profit before tax	23446.65
Profit after tax	19858.86
Basic Earnings per share in Rs.	41.17
Dividend Rate %	160

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

Not applicable



		Rupees in lacs					
		Amount outstanding	Previous Year Amount outstanding				
<b>Long Term investments :</b>							
1. <b>Quoted :</b>							
(i) Shares:	(a) Equity .....	75564.24	62317.59				
	(b) Preference .....	2457.66	—				
(ii) Debentures/Bonds .....		7889.13	10439.39				
(iii) Units of mutual funds .....		1018.50	1610.53				
(iv) Government Securities .....		1504.45	—				
(v) Others .....		—	—				
2. <b>Unquoted :</b>							
(i) Shares :	(a) Equity .....	17304.07	16624.54				
	(b) Preference .....	6500.00	6500.00				
(ii) Debentures and Bonds .....		—	—				
(iii) Units of mutual funds .....		9643.02	28499.52				
(iv) Government Securities .....		—	—				
(v) Others :	(a) Application Money .....	—	100.00				
	(b) Units of venture capital fund ...	2534.95	2664.82				
<b>TOTAL</b>		<u>129088.44</u>	<u>130552.19</u>				
<b>(5) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances (including other Current Assets)</b>							
		Secured	Unsecured	Total	Previous Year Secured	Unsecured	Total
1.	Related Parties						
	a) Subsidiaries .....	—	—	—	—	—	—
	b) Companies in the same group	—	3327.08	3327.08	—	5361.93	5361.93
	c) Other related parties .....	—	48.40	48.40	—	39.26	39.26
2.	Other than related parties .....	—	32359.01	32359.01	—	17749.98	17749.98
<b>TOTAL</b>		—	<u>35734.49</u>	<u>35734.49</u>	—	<u>23151.17</u>	<u>23151.17</u>
<b>(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :</b>							
Category		Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)	Previous Year Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)		
1.	Related Parties						
	a) Subsidiaries .....	—	—	—	—		
	b) Companies in the same group ....	49530.29	18731.56	33133.37	14211.90		
	c) Other related parties .....	12378.20	3703.39	9951.07	3703.39		
2.	Other than related parties	343944.61	106653.49	320722.44	112636.90		
<b>TOTAL</b>		<u>405853.10</u>	<u>129088.44</u>	<u>363806.88</u>	<u>130552.19</u>		
<b>(7) Other Information</b>				Previous Year			
(i)	Gross Non-Performing Assets						
	(a) Related parties .....			—			
	(b) Other than related parties .....			—			
(ii)	Net Non-Performing Assets						
	(a) Related parties .....			—			
	(b) Other than related parties .....			—			
(iii)	Assets acquired in satisfaction of debt .....			—			

Signatures to Schedules A to K, Lists 1 to 3,  
Balance Sheet Abstract and Company's General  
Business Profile and NBFC (Non-Deposit  
Accepting or Holding) Companies Prudential  
Norms (RBI) Directions, 2007.

For and on behalf of the Board,

N.N.TATA Chairman  
F.N.SUBEDAR Vice Chairman

Mumbai, 10<sup>th</sup> May, 2011.

M. J. KOTWAL  
Executive Director &  
Secretary.

A.N.DALAL  
Executive Director -  
Investments

A. B. K. DUBASH  
K. A. CHAUKAR  
H.N.SINOR  
Z.DUBASH  
A.CHANDRA } Directors

## FINANCIAL STATISTICS

(For the last 20 years)  
(Rupees in lacs)

Year	Paid up Capital	Reserves and Surplus	Total Borrowings	Investments (at or below cost)	Net Fixed, Net Current and Deferred tax Assets	Total Income (including net interest)	Total Expenses (Including net interest)	Profit before Tax	Profit after Tax	Dividend/ Dividend Tax	Dividend on Ordinary Shares (%)	Realisable value of investments	Debt/ Equity ratio	Number of companies invested in (excluding mutual fund units)
1991-92	534.14	4130.07	2519.12	5266.72	1916.61	1826.30	173.66	1652.64	1490.75	160.24	30	59397	0.54:1	313
1992-93	641.65	5070.11	3171.37	8284.86	598.27	1161.52	172.55	988.97	769.45	205.76	35	32535	0.56:1	318
1993-94	749.16	6411.55	3009.50	9479.26	690.95	1959.70	438.56	1521.14	1241.57	278.16	40	57618	0.42:1	333
1994-95	1223.74	10392.59	1258.00	11208.45	1665.88	2474.53	291.00	2183.53	1692.27	406.45	35	55210	0.11:1	395
1995-96	1223.74	11742.45	2274.15	12744.09	2496.25	2541.06	205.69	2335.37	1778.17	428.31	35	53056	0.18:1	419
1996-97	1223.74	13118.45	2087.91	13591.59	2838.51	2835.32	401.93	2433.39	1981.73	605.75	45	42691	0.15:1	410
1997-98	1243.13	15413.49	2778.84	17084.43	2351.03	2716.28	563.98	2152.30	2005.98	615.35	45	44749	0.17:1	441
1998-99	1243.13	16991.09	2144.40	18847.74	1530.88	2832.33	398.45	2433.88	2267.54	689.94	50	41707	0.12:1	429
1999-00	1641.01	21331.23	3490.66	26881.99	(419.09)	4672.76	710.50	3962.26	3720.98	1507.41	60	72170	0.15:1	409
2000-01	1641.01	24416.19	1421.72	27322.59	156.33	4480.76	398.16	4082.60	4112.72	1085.03	60	46401	0.05:1	353
2001-02	1969.18	28619.95	3193.73	30003.04	3779.82	5032.73	521.01	4511.72	4396.73	1085.03	60	49982	0.10:1	308
2002-03	2297.36	32516.38	1019.94	31693.13	4140.55	5280.11	341.21	4938.90	4582.38	1181.51	60	54511	0.03:1	253
2003-04	2297.36	37946.15	3875.18	45501.06	(1382.37)	9036.69	486.62	8550.07	8055.68	2617.62	101	118476	0.10:1	238
2004-05	2297.36	46357.29	633.70	51652.21	(2363.86)	11918.47	528.63	11389.84	11237.53	3148.25	120	149005	0.01:1	237
2005-06	3446.04	56807.47	417.89	62462.40	(1791.00)	17087.84	628.56	16459.28	16314.07	4715.21	120	243807	0.01:1	231
2006-07	3446.04	68635.94	53.31	75358.83	(3223.54)	20413.52	639.93	19773.59	18164.87	6047.54	150	221000	0.01:1	229
2007-08	3446.04	81066.83	-	88819.05	(4306.18)	21007.65	776.24	20231.41	18585.20	6047.54	150	306572	0.00:1	184
2008-09	3446.04	91080.56	44774.23	121921.98	17378.85	21344.33	997.00	20347.33	18629.02	6047.54	150	216627	0.00:1*	178
2009-10	4823.71	148153.89	-	130552.19	22425.41	23262.10	981.55	22280.55	19391.59	7256.39	150	363807	0.00:1	197
2010-11	4823.71	159144.91	-	129088.44	34880.18	24727.83	1281.18	23446.65	19858.86	8999.78	160	405853**	0.00:1	205

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

\* Zero coupon fully convertible bonds not considered as debt.

\*\* Please see Para 5 of the Directors' Report.

## SUMMARY OF INVESTMENTS

DISTRIBUTION AMONG DIFFERENT INDUSTRIES AND CLASSES OF SECURITIES  
(Quoted and Unquoted Investments)

	As at 31-03-2011 (%)	As at 31-03-2010 (%)
<b>I. Distribution among different industries as a percentage to the book value -</b>		
Banks .....	4.86	3.70
Cement .....	1.80	0.60
Chemicals and Fertilizers .....	3.87	4.03
Electricity and Transmission .....	2.67	2.36
Electricals and Electronics .....	1.22	1.09
Engineering & Infrastructure .....	3.33	1.57
Fast Moving Consumer Goods .....	2.81	2.72
Finance and Investments .....	11.93	11.11
Healthcare .....	2.78	1.19
Hotels .....	4.79	4.73
Information Technology .....	5.58	3.10
Media .....	0.20	0.16
Metals & Mining .....	6.59	6.35
Motor Vehicles and Ancillaries .....	9.59	7.88
Oil and Natural Resources .....	5.24	4.13
Paper, Printing & Packaging .....	0.15	0.43
Retail .....	5.11	3.17
Telecommunications .....	1.85	1.93
Textiles .....	0.46	0.17
Transportation and Logistics .....	1.75	1.62
Miscellaneous and Diversified .....	6.04	5.07
Debentures/Bonds .....	7.23	7.93
Mutual Funds/Venture Capital Funds .....	10.15	24.96
	<b>100.00</b>	<b>100.00</b>
<b>II. Distribution among classes of securities as a percentage to the book value -</b>		
Debentures/Bonds .....	7.23	7.93
Equity Shares .....	75.73	62.18
Mutual Funds/Venture Capital Funds .....	10.15	24.96
Preference Shares .....	6.89	4.93
	<b>100.00</b>	<b>100.00</b>





**TATA INVESTMENT CORPORATION LIMITED**

Elphinstone Building 10 Veer Nariman Road Mumbai 400 001