

Board of Directors

R. N. Tata (*Chairman*)
R. K. Krishna Kumar (*Vice Chairman*)
F.K. Kavarana
U.M. Rao
A.R. Gandhi
M. Srinivasan (Ms.)
A. Singh
J.S. Bilimoria
V. Leeladhar (*Joined from 24.4.2009*)
Ranjana Kumar (Ms.) (*Joined from 29.1.2010*)
Ajay Shankar (*Joined from 30.4.2010*)
P. D. Unsworth
P.T. Siganporia (*Managing Director*)
S. Talwar (Ms.) (*Whole-time Director*)

V. Madan (*Vice President & Secretary*)

Registered Office

1, Bishop Lefroy Road, Kolkata - 700 020.
 Telephone : 22811807/ 3709/ 3779/ 3891/ 4422
 Fax : 22811199
 Website : www.tatatea.com

Solicitors and Legal Advisors

Khaitan & Co.
 Orr, Dignam & Co.
 Amarchand & Mangaldas & Suresh. A. Shroff & Co.
 AZB Partners

Registrars

Equity Shares & Fixed Deposits

TSR Darashaw Limited,
 (Formerly Tata Share Registry Limited)
 (Unit : Tata Tea Ltd.)
 6-10 Haji Moosa Patrawala Ind. Estate,
 20, Dr. E. Moses Road, Mahalaxmi,
 Mumbai 400 011.
 Telephone : 022-66568484 Fax : 022-66568494
 Website : www.tsrdarashaw.com
 Kolkata Office :
 1st Floor, Tata Centre,
 43, Chowringhee Road,
 Kolkata 700 071
 Telephone : 033-22883037
 Fax : 033-22883087

Auditors

N.M. Raiji & Co.
 Lovelock & Lewes

Bankers

AXIS Bank Limited
 Bank of America
 Bank of Baroda
 Citibank N.A.
 Deutsche Bank
 HDFC Bank Limited
 ICICI Bank Limited
 Standard Chartered Bank
 State Bank of India
 State Bank of Travancore
 The Hongkong and Shanghai Banking Corporation Limited
 The Royal Bank of Scotland N.V.

Board Committees

Audit Committee

1. Mr. J.S. Bilimoria - Chairman
2. Mr. R.K. Krishna Kumar
3. Mr. U.M. Rao
4. Mr. V. Leeladhar
5. Mr. A.R. Gandhi
6. Mrs. Ranjana Kumar (From 29.1.2010)

Shareholders'/Investors' Grievance Committee

1. Mr. F.K. Kavarana - Chairman
2. Mr. U.M. Rao
3. Mr. Ajay Shankar (From 30.4.2010)

Remuneration Committee

1. Mrs. Ranjana Kumar - Chairman (From 29.1.2010)
2. Mr. R.K. Krishna Kumar
3. Mr. U.M. Rao
4. Mr. A.R. Gandhi
5. Mr. V. Leeladhar
6. Mr. J.S. Bilimoria

Executive Committee

1. Mr. R.N. Tata - Chairman
2. Mr. R.K. Krishna Kumar
3. Mr. U.M. Rao
4. Mr. P.D. Unsworth
5. Managing Director, Executive Directors & Group CFO
6. Managing Director/Executive Directors of Indian Subsidiaries

Nomination Committee

1. Mr. R.N. Tata - Chairman
2. Mr. R.K. Krishna Kumar
3. Mr. F.K. Kavarana
4. Mr. A.R. Gandhi

Ethics & Compliance Committee

1. Mr. F.K. Kavarana - Chairman
2. Mr. P.T. Siganporia

Corporate Sustainability Reporting Committee

1. Mr. U.M. Rao - Chairman
2. Prof. S. Parasuraman - Expert Member
3. Mr. P.T. Siganporia

Notice is hereby given that the Forty-seventh Annual General Meeting of the Members of Tata Global Beverages Limited (formerly Tata Tea Limited) will be held at The Oberoi Grand, 15, Jawaharlal Nehru Road, Kolkata 700 013 on Monday, 23rd August, 2010, at 10.30 a.m. to transact the following businesses :-

Ordinary Business:

1. To receive and adopt the Profit and Loss Account for the year ended 31st March, 2010 and the Balance Sheet as that date together with the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. R. N. Tata who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. F. K. Kavarana who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. U. M. Rao who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and fix their remuneration.

Special Business:

7. Appointment of Additional Director

To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution:-

"Resolved that Mrs. Ranjana Kumar who was appointed by the Board of Directors as an Additional Director of the Company with effect from 29th January, 2010, and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ('the Act') and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing her candidature for the office of a Director of the Company, be and she is hereby appointed a Director of the Company."

8. Appointment of Additional Director

To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution:-

"Resolved that Mr. Ajay Shankar who was appointed by the Board of Directors as an Additional Director of the Company with effect from 30th April, 2010, and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ('the Act') and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of a Director of the Company, be and he is hereby appointed a Director of the Company."

The Register of Members shall remain closed during 8th August 2010 to 23rd August 2010, both days inclusive.

By Order of the Board
For Tata Global Beverages Limited



(V. MADAN)

Vice President & Secretary

Registered Office:

1, Bishop Lefroy Road
Kolkata – 700 020

Date: -----, 2010

Notes:

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business is annexed hereto. Information under Clause 49(VIA) of the Listing Agreement relating to Directors proposed to be reappointed is provided in Annexure to this Notice.
2. The dividend that may be declared by the Company will be paid on or after 27th August, 2010, to those members of the Company holding shares in physical form whose names appear on the Register of Members as on 8th August, 2010. In respect of shares held in electronic form, the dividend will be paid to the beneficial owners of the shares as on beginning of 8th August, 2010 as per details that may be provided by the Depositories for this purpose.
3. **A Member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a Member of the Company. Proxies, in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting.** Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be accompanied by appropriate resolution/authority as applicable, issued on behalf of the nominating organisation.
4. Shareholders are requested to immediately notify their bank particulars giving the name of the bank and the branch, 10 digits MICR number, the nature of account and their Core Banking account number (CBS A/c No.) to the Company's Registrar and Share Transfer Agent, TSR Darashaw Limited in respect of shares held in physical form and to their Depository Participant in case of shares held in electronic form. Shareholders may note that the bank details registered against their account in physical form will not be applicable to their electronic account and vice versa. It is in interest of the shareholders to register their bank details against their account and avail of NECS (National Electronic Clearing Service) facility being extended by the Company for receiving dividend payment. The shareholders may please note that under instructions from the Securities and Exchange Board of India, furnishing of bank particulars by the shareholders has become mandatory.
5. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed/unpaid dividend, debenture interest and interest on deposits as well as principal amount of deposits upto 31.3.2010 remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment, have been transferred to the Investors Education & Protection Fund (IEPF) established by the Central Government. Shareholders/debenture holders/depositors may kindly note that the Company is statutorily required to transfer to IEPF all unclaimed/unpaid dividend, debenture interest and principal and interest on deposits remaining unpaid/unclaimed for a period of seven years from the date they became due for payment and once such amounts are transferred to IEPF, no claim of the shareholder/ debenture holder/ depositor shall lie against the Company or the IEPF. For the information of the shareholders it is hereby notified that the following dividend/interest amounts will be due for transfer to IEPF during the financial year 2010-11:-
 - a) Dividend paid on 10th September, 2003 in respect of the financial year 2002-2003
 - b) Interest on fixed deposits paid during 1.4.2003 to 31.3.2004
 - c) Principal amounts on maturity of deposits due during 1.4.2003 to 31.3.2004.

Shareholders/debenture holders/depositors who have not yet encashed their dividend warrants/interest warrants or have not claimed the principal amount of deposit by submitting the discharged Fixed Deposit Receipts are requested to do so immediately. Further details relating to such transfers to IEPF have been given in paragraph 11 of the Corporate Governance Report.
6. Shareholders holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for printing on the face of the dividend warrants. For the safety and interest of the shareholders, it is important that bank account details are correctly provided to the depository participants. The Company or its Registrars cannot act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the depository participant of the shareholders. The bank mandate, if any, for shares held in physical form cannot be applied for shares held in electronic form.
7. Shareholders holding shares in physical form are requested to advise any change of address immediately to Company's Registrar and Share Transfer Agents, TSR Darashaw Ltd. Shareholders holding shares in electronic form must advise their respective depository participants about change in address and not to the Company or the Registrars.

Explanatory Statement

Pursuant to Section 173(2) of the Companies Act, 1956

Item Nos. 7 and 8

Appointment of Additional Directors

At the Board Meeting held on 28th January, 2010, the Board of Directors of the Company ('the Board') appointed Mrs. Ranjana Kumar as an Additional Director of the Company under Section 260 of the Companies Act, 1956 with effect from 29th January, 2010, being the date of her receiving the Director Identification Number .

At the Board Meeting held on 30th April, 2010 , the Board had appointed Mr. Ajay Shankar as an Additional Director of the Company in terms of Section 260 of the Companies Act, 1956 with effect from 30th April, 2010.

Both Mrs. Ranjana Kumar and Mr. Ajay Shankar have been appointed as Non-Executive Independent Directors of the Company and they hold office upto the date of the forthcoming Annual General Meeting of the Members of the Company.

The Company has received separate notices under Section 257 of the Companies Act, 1956 from the Members of the Company informing that at the next Annual General Meeting, the said Members would like to propose the appointment of Mrs. Ranjana Kumar and Mr. Ajay Shankar as Directors of the Company.

Mrs. Ranjana Kumar retired recently as Vigilance Commissioner in Central Vigilance Commission, Government of India. She had also held very significant positions in her career including that as the Chairperson & Managing Director of Indian Bank, Chairperson of National Bank for Agriculture and Rural Development (NABARD) etc.

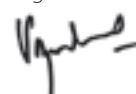
Mr. Ajay Shankar has rich and varied experience in the Central and State Governments in industrial promotion, the energy sector and urban management and development . He has held significant positions in the Government including that as Secretary, Department of Industrial Policy & Promotion, Joint Secretary/Additional Secretary in the Ministry of Power, CEO, Greater NOIDA Industrial Development Authority, Secretary to the Lt. Governor of Delhi, etc.

Details of age, qualifications, expertise and other directorships and memberships of other Board and Board Committees of Mrs. Ranjana Kumar and Mr. Ajay Shankar have been given in the Annexure attached to the Notice convening the Annual General Meeting. Each of these Directors has filed Form DD-A with the Company as required under the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003.

Your Directors commend the acceptance of these resolutions by the shareholders.

Mrs. Ranjana Kumar is interested in Resolution No. 7 and Mr. Ajay Shankar is interested in Resolution No. 8, No other Director is interested or concerned in these resolutions.

By Order of the Board
For Tata Global Beverages Limited



(V. MADAN)

Vice President & Secretary

Registered Office :

1, Bishop Lefroy Road
Kolkata – 700 020

Date: -----, 2010

Particulars of Directors Seeking Appointment/Re-Appointment

Particulars	Mr. R. N. Tata	Mr. F. K. Kavarana	Mr. U. M. Rao
Date of Birth	28.12.1937	17.3.1944	2.7.1938
Date of Appointment	18.1.1991	15.6.1994	1.11.2003
Qualifications	B.Sc. (Arch), U.S.A., A.M.P. (Harvard)	B.Com., F.C.A. (England & Wales) M.B.A., Wharton School of Finance (University of Pennsylvania)	B.Com.
Number of Shares held in the Company	2040	Nil	Nil
Expertise in specific functional area	Mr. Tata is an eminent industrialist with wide business experience across a variety of industries. He joined the Tata Group in 1962. Mr. Tata is the Chairman of Tata Sons Limited since 1991, the apex holding company of the Tata Group and is the Chairman of major Tata Companies and Tata Trusts.	Business Management and Finance. Mr. Kavarana has rich and long experience of management and administration of several large Tata companies both in India and abroad. He is presently the Chairman of several Tata companies including the insurance companies of the Tata Group.	Mr. Rao was formerly the Managing Director of General Insurance Corporation of India from which he retired in July, 1998. Mr. Rao has long experience in all facets of insurance and risk management as well as administration and management of companies.
Chairman/Director of other companies (excluding foreign companies) As on 31.3.2010	Tata Sons Ltd. The Tata Power Co. Ltd. Tata Industries Ltd. Tata Steel Ltd. Tata Motors Ltd. The Indian Hotels Co. Ltd. Tata Chemicals Ltd. Tata Consultancy Services Ltd. Tata Teleservices Ltd. Antrix Corporation Ltd. The Bombay Dyeing & Manufacturing Co. Ltd. RNT Associates Pvt. Ltd.	Tata Projects Ltd. Tata AIG Life Insurance Co. Ltd. Tata AIG General Insurance Co. Ltd. Tata Asset Management Ltd. Tata Industries Ltd. Tata Sons Ltd. Akzo Nobel Coatings India Pvt. Ltd. Sika Properties Pvt. Ltd. Trent Ltd. Tata Capital Ltd.	Tata Coffee Ltd. Ispat Industries Ltd.
Chairman/Member of Committees* of the Boards of Companies of which he is a Director As on 31.3.2010	The Tata Power Co. Ltd. <i>Remuneration - Member</i> Tata Sons Ltd. <i>Remuneration - Member</i> Tata Steel Ltd. <i>Remuneration - Member</i> Tata Motors Ltd. <i>Remuneration - Member</i> The Indian Hotels Co. Ltd. <i>Remuneration - Member</i> Tata Chemicals Ltd. <i>Remuneration - Member</i> Tata Consultancy Services Ltd. <i>Remuneration - Member</i> Tata Teleservices Ltd. <i>Remuneration - Member</i>	Tata Sons Ltd. <i>Audit - Member</i> Tata Industries Ltd. <i>Audit - Member</i> <i>Asset-Liability Management - Member</i> Tata AIG Life Insurance Co. Ltd. <i>Audit - Chairman</i> Tata AIG General Insurance Co. Ltd. <i>Audit - Chairman</i> Trent Ltd. <i>Grievance - Chairman</i> Tata Asset Management Ltd. <i>Audit - Chairman</i> Tata Capital Ltd. <i>Risk - Chairman</i> <i>Nominations - Member</i> <i>Remuneration - Chairman</i> <i>Executive Committee - Chairman</i>	Tata Coffee Ltd. <i>Audit - Member</i> Ispat Industries Ltd. <i>Audit - Member</i> <i>Grievance - Chairman</i>

Particulars	Mrs. Ranjana Kumar	Mr. Ajay Shankar
Date of Birth	10.12.1945	26.12.1949
Date of Appointment	29.1.2010	30.4.2010
Qualifications	B.A.	M.A. in Political Science from Allahabad University and an M.A. in Economics from Georgetown University, Washington D.C.
Number of Shares held in the Company	Nil	Nil
Expertise in specific functional area	Mrs. Ranjana Kumar retired recently as Vigilance Commissioner in Central Vigilance Commission, Government of India and is presently, Member, Governing Council, National Innovation Foundation, Ahmedabad. She had held very significant positions in her career including that as the Chairperson & Managing Director of Indian Bank, Chairperson of National Bank for Agriculture and Rural Development (NABARD) etc.	Mr. Ajay Shankar joined the IAS in 1973. He has rich and varied experience in the Central and State Governments in industrial promotion, the energy sector and urban management and development. He has served as Secretary, Department of Industrial Policy & Promotion, Principal Adviser in the Planning Commission, Joint Secretary/Additional Secretary in the Ministry of Power, CEO, Greater NOIDA Industrial Development Authority, Secretary to the Lt. Governor of Delhi etc
Chairman/Director of other companies (excluding foreign companies) As on 31.3.2010	Coromandel International Ltd. International Asset Reconstruction Co. Pvt. Ltd. (IARC)	Nil
Chairman/Member of Committees* of the Boards of Companies of which he/she is a Director As on 31.3.2010	Nil	Nil

* Includes Audit and Shareholders'/Investors' Grievance Committees

For Tata Global Beverages Limited



(V. Madan)

Vice President & Secretary

Kolkata
Date:

Your Directors are pleased to submit their report together with the audited statement of accounts for the year ended 31st March, 2010.

You Directors at the outset wish to share with you an important milestone in the history of your Company. Throughout its history, your Company has made a number of bold strategic moves to take its business in new directions and transition from a tea plantation company to a global beverages company. In order to reflect this transformation the board decided that the company name should be changed to **Tata Global Beverages Limited**. Thus Tata Tea Limited is now **Tata Global Beverages Limited**. The name signifies our intent to be truly global and our successful transition from being a tea and coffee commodity business to one focused on delighting consumers across the world with great tasting, branded beverages. The change in name, which the Shareholders approved through a postal ballot in May / June this year, signifies the intent of your company to make a significant impact in the global beverages industry. .

The change in name has also been approved by the Central Government and a fresh Certificate of Incorporation dated 2nd July, 2010 has been issued by the Registrar of Companies, West Bengal. Your Directors wish to inform you that as the Board had approved the Accounts for 2009-10 prior to the receipt of the approval from the Central Government and prior to change of name being effective, the Accounts and the Auditors' Report were approved in the name of Tata Tea Limited.

Your Directors also wish to mention that at its meeting on 30th April, 2010, the Board approved a sub-division of the equity shares of the Company, whereby one equity share having a face value of Rs. 10 per share is sub-divided into ten equity shares of a face value of Re 1 each. This will help bringing about greater liquidity and increasing the retail interest in the equity shares of the Company. The Shareholders of the Company have approved the sub-division through a postal ballot in May/June 2010 together with the approval for consequential amendments to the Memorandum and Articles of Association of the Company.

1. Highlights – Consolidated Performance

Consolidated income in 2009-10 increased by 19% from Rs. 4847.87 crores to Rs. 5782.95 crores. Profit before Tax and exceptional items was Rs. 624.85 crores (previous year Rs.525.93 crores) recording an increase of 19%. Exceptional items were lower at Rs. 16.13 crores compared with Rs. 730.38 crores in the previous year because of one time exchange gains in the previous year. Profit before Tax after including exceptional income was Rs. 640.98 crores (previous year Rs. 1256.31 crores) and the consolidated Net Profit was Rs. 390.30 crores (previous year Rs. 700.55 crores). The reduction in the consolidated net profits is primarily due to absence of exchange gains of the previous year. The basic earnings per share (EPS) for the current year were Rs. 63.11 as compared to Rs. 113.28 in the previous year. Consolidated EPS before exceptional items was higher at Rs. 51.07 versus Rs. 47.39 in the previous year.

The Company continues its focus on strengthening the global organisation to accelerate growth and for developing global capabilities, improving synergies, achieving integration and driving functional excellence in areas like Human Resources, Finance, IT, Product innovation and Brands. These initiatives are vital to the global beverage transformation agenda. These efforts are coordinated by the Executive office in the UK subject to the decision of the Boards of the respective entities.

2. Standalone Financial Highlights

Your Directors now present below the standalone financial highlights for 2009-10:

			Rs. Crores	
	2009-10		2008-09	
Total Income	1836.84		1524.64	
Profit before interest, depreciation, exceptional items and tax	312.68		297.90	
Deduct:				
Interest (net)	45.06		48.60	
Depreciation	12.32	57.38	10.65	59.25
Profit before tax and exceptional items	255.30		238.65	
Other exceptional items	240.13		(9.59)	
Profit before tax	495.43		229.06	
Provision for tax	103.96		70.00	
Profit after Tax	391.47		159.06	
Add: Surplus brought forward from previous year	158.07		170.25	
Amount available for appropriation	549.54		329.31	
Proposed Dividend	123.68		108.22	
Income tax on dividend	19.45		17.11	
Transfer to General Reserve	39.15		15.91	
Transfer to Debenture Redemption Reserve	21.00	203.28	30.00	171.24
	346.26		158.07	

The Company recorded improved operations during 2009-10 with total income increasing by 20% to Rs. 1836.84 crores compared with Rs. 1524.64 crores in the previous year. The growth in total income for the year was driven by strong performance in the branded tea segment and was achieved by a combination of higher unit realization and volume growth. There was increased spending on brand building and promotions and new product development and launches. Profit before tax and exceptional items improved by about 7% to Rs. 255.30 crores compared with Rs. 238.65 crores in the previous year. During the current year the Company earned an exceptional income of Rs. 240.13 crores mainly from profit on sale of its investment in Rallis India Ltd, as against an exceptional expenditure of Rs. 9.59 crores during 2008-09. Provision for taxation in the current year was at Rs. 103.96 crores (previous year Rs. 70.00 crores). Consequently, the Profit after tax was Rs.391.47 crores against Rs. 159.06 crores in the previous year.

3. Dividend

Your Directors are pleased to recommend for the approval of the shareholders a dividend of Rs. 20 per share on the paid-up equity share capital of the Company in respect of the financial year 2009-10 as compared with the dividend of Rs. 17.50 per share declared last year. The total outgo on account of dividend, inclusive of taxes, for 2009-10 is Rs. 143.13 crores which represents a pay-out of 36.56 % of the company's stand alone profits. On the sub-divided equity share of Re 1 each, the dividend recommended translates to Rs. 2 per share.

4. Review of Subsidiary and Associate Companies

- (i)
 - a. As required under the Listing Agreement with the Stock Exchanges the Audited Consolidated Financial Statements of the Company together with all its subsidiary and associate companies prepared in accordance with applicable Accounting Standards is attached.
 - b. The company has been granted exemption by the Ministry of Corporate Affairs, from attaching with its accounts the individual accounts of each of its subsidiary companies subject to certain conditions.
 - c. Any shareholder may either ask for a copy or inspect at the Registered Office a copy of the audited accounts of the subsidiary companies (where required to be prepared).
- (ii) Tata Coffee Limited, a subsidiary of your Company, reported an increase of 5% in total operating income driven by better performance of plantation operations. Profits improved against previous year on account of higher dividends received from group companies along with improved performance by Plantation operations. The Directors of Tata Coffee Limited have recommended a dividend of Rs.7.50 per share of Rs. 10 each. Eight O'Clock Coffee Company, USA, a subsidiary of

Tata Coffee recorded a 20% increase in turnover and improved profitability driven by higher volume growth reflecting the continued brand strength and distribution gains in alternate channels.

- (iii) The Company's wholly owned subsidiary in USA, Tata Tea Inc. reported a 21% higher total income against previous year and profit after tax also improved significantly as compared to the previous year.
- (iv) Sales of Mount Everest Mineral Water Ltd., your Company's subsidiary dealing in mineral water was lower than the previous year due to softness in key account sales and deferment of retail roll out. The loss for the year is lower due to cost reduction initiatives, distribution rationalization and lower launch expenses. In an effort to reconfigure the distribution network, Mount Everest Mineral Water Ltd. has now entered into an agreement with your Company to manage its distribution. It is also expected that the distribution for this product will be significantly enhanced with the proposed alliance with PepsiCo. The directors recognize the long term potential of the business, the quality and uniqueness of the water source and the consumer appeal and are confident about the growth prospects which would deliver adequate returns on the investments made in that Company.
- (v) The Consolidated Accounts of Tata Tea (GB) Ltd. reflects the financial performance of The Tetley Group during 2009-10 prepared in accordance with UK GAAP, wherein the turnover recorded an improvement of 11% attributable to price increases and volume growth in most major markets but with reduced profitability on account of higher commodity costs and increased investment behind brands and the global beverage agenda which is expected to fuel future growth.
- (vi) The company sold its stake in Rallis India Ltd. (RIL) which was an Associate of your Company in August 2009.
- (vii) Estate Management Services, Sri Lanka, where your Company holds shares and which is the holding company of Watawala Plantations Ltd. (WPL) had declared a dividend of 7.5% in 2008-09 and was received by us during the year.
- (viii) Amalgamated Plantations Private Limited in which your company holds shares recorded a significant improvement in profit of 93% mainly attributable to higher price realization. During the year 2009-10 the company declared an interim dividend of 6% which was received by us during the year.

5. Proposed Joint Venture in Liquid Beverage Business

Your Company has signed an MOU with Pepsi Co. Inc., USA for exploring the possibility of the formation of a Joint Venture in the area of non-carbonated ready-to-drink beverages, focused on health and enhanced wellness and is in discussion with PepsiCo in taking forward this initiative. The proposal envisages offering exciting health and wellness products in fortified and enhanced beverages initially and later diversify into foods with intent to address nutritional and lifestyle challenges. Given that about 50% of the Indian population is affected by severe deficiency in one or more micronutrients, across income classes, there is an opportunity for nutritional intervention through proper fortification and enhancement of beverages and food. This proposal is expected to result in a Joint Venture with Pepsi Co. and will potentially become a global beverage company oriented towards health and wellness.

6. Review of Domestic Activities

A. The Indian Tea Industry

The Indian Tea industry continued to see good demand with domestic consumption growing at approximately 4% per annum and improved prices as compared to the previous year. Crop at 979 million kgs during 2009 was more or less in line with the previous year's crop at 981 million kgs. Exports were lower at 191 million kgs as against 203 million kgs in the previous year.

B. Domestic Branded Tea Operations

The Tata Tea brand continues its leadership position in the branded tea segment and leads market share in terms of both value and volume in India. The strength of the brands enabled significant recovery of commodity cost increases. The Tata Tea brand was accorded "Super Brand" recognition in the country.

Brand Tata Tea Gold had a stellar performance in 2009-10 registering a 12% growth over the previous year driven by growth in value packs and a successful restage of the brand in third quarter of the year.

Tata Tea Premium brand performance was marginally lower than the previous year. The performance of this brand has to be viewed in the context of the aggressive price increases the brand took ahead of competition. The launch of the new Jaago Re campaign supported by massive ground level activity followed by a Consumer Promotion on the 100gm and 250gm packs saw the brand regaining its base in most markets.

With a view to add to the value creating segment of tea bags, your Company restaged flavoured tea bags with a new flavour – Tulsi & Lemon. The launch was supported by PR coverage in the media, liquid sampling and created

visibility in key accounts, website and magazines. Further to mark the occasion of the launch of the new flavour, your Company with a NGO tie up planted 3900 saplings of Tulsi.

T!ON completed one year of prototype in Tamil Nadu and was extended into the markets of Kerala, Goa and Karnataka in the last quarter of 2009-10. A new flavour, Orange Spice, was added to the existing portfolio.

Consumer acceptance has been very good with T!ON having achieved a value share of 5% of the Non Carbonated drinks market.

Your Company will continue to aim to bring new and exciting brands that will appeal to modern lifestyle choices and to lead innovation in the beverage sector.

Your Company launched the new Jaago Re campaign – ‘Aaj Se Khilana Bandh, Pilana Shuru’ during the financial year under review. The new campaign takes up yet another relevant social issue – Corruption - and urges the citizens of the country to awaken and fight against it. The campaign transcends well beyond just creating an awareness and is being presented as a platform where every Indian citizen can be ‘the change he wants to see’ by taking a pledge not to aid and abet corruption. This Campaign will be a 360° integrated marketing campaign which will connect equally with consumers across the retail network as also through online and mobile touch points. A myriad of on the ground initiatives will take the message closer to people and contribute to the health of the nation. As part of the campaign your company has also launched a Vrat Yatra covering a 38 day 6500 km long journey spanning 12 cities. The bus that did this journey created awareness on corruption and collected pledges from consumers to stop giving bribes. The Tata Tea brand and the Jaago Re campaign has been winning critical acclaim from all quarters. The Jaago Re campaign has won the Gold for the best consumer product campaign at the Emmies and the Indian Digital Media Awards for the best internet based campaign.

Your Company carried a study on tea movement in India with a view to reduce the carbon foot print and also increase the efficiency of tea movement from source centres to respective packing centres in India. Your Company is proposing to launch low cost Tea Bags in the Institutional segment for the Indian market.

C. International Branded Operations

The Company's subsidiaries had a strong performance in the international markets during the year under review. In all key markets, challenges posed by a strong commodity environment was offset partially by price increases that too ahead of the competition whilst maintaining value market shares. Various initiatives were pursued to broad base the product category. These include Infusions in Canada, Redbush tea, Green tea and organic tea in the UK and Green tea in Australia. In the UK, an innovative jelly based drink ‘SUKK’ is being launched, after extensive consumer research. This product is aimed at the younger consumers and is an example of how the global innovation team is responding to the market needs. Strong performances were recorded in all key markets viz., US, UK and Canada. In the US, coffee business reported a strong growth backed by the brand strength and distribution gains. In the UK, volume and sales growth were recorded in a difficult trading environment. Across categories strong performances were recorded in Decaffeinated, Green and Redbush, with growth in market share. In Canada, the group continues to maintain its leadership position. Infusions launched in this market during last year have reported favourable growth and additional flavours were launched during the year. Growth was also reported in the Polish market backed by media campaign and a reconfigured distribution arrangement. During the year under review, the company's subsidiary in the UK acquired a 51% stake in the consolidated group of Suntyno Holding Limited, providing the group a presence in the tea and coffee market in Russia. This acquisition would also provide the Group with market access to a critical market like Russia. Efforts are also on to tap on the beverages potential in the Middle East and our products were launched in Saudi Arabia during the year under review.

D. Instant Tea

The production of Instant Tea powder at the Instant Tea Unit at Munnar for the year 09-10 was 40.48 lac lbs as against 40.79 lac lbs during the previous year. The marginal drop in production was due to lower productivity of the tea leaves. Consequent to lower production, Sales of Instant Tea were also marginally lower. The unit has embarked on developing powders for customers based on their requirements on an ongoing and need basis. New products like Decaffeinated Instant Teas and Organic Instant Teas have also been developed. The plant at Munnar continues to be certified for Organic product manufacture.

Zhejiang Tata Tea Extraction Company Limited, China, which is a subsidiary of your Company, is a joint venture with a Chinese partner for setting up a manufacturing and marketing facility in China for Green Tea Polyphenols, tea extracts, instant tea and other value added tea beverage products. The project which was commenced last year has been successfully implemented and production has just commenced at the unit.

E. Exports

Total exports during the year at FOB value of Rs. 155.59 crores were lower than Rs. 136.73 crores achieved in the previous year due to decline in bulk exports. The Tea Bag unit at Kochi continued to meet the Group's requirements in Australia, Eastern Europe and Middle East and performed well during the year.

F. Plantation Operations

As the members are aware the Company had restructured its plantation operations by demerging its erstwhile North India plantations to a separate company Amalgamated Plantations Private Limited (APPL). Your company together with International Finance Corporation and employees of APPL are the current shareholders of APPL. During 2009-10 APPL had a record year both in turnover and profits, largely driven by the buoyancy in tea prices. The Hathikuli division of Hathikuli Tea Estate has received the organic certification and by March 2011 the whole estate will be organic certified making it the single largest organic certified estate in the country.

Kanan Deven Hills Plantations Private Limited (KDHP), in South India to which your company's erstwhile 17 estates were transferred in 2005 also had a record year in its operations and has consistently paid dividends every year since its formation.

Your company's residual two estates in South India which are managed by KDHP under a management contract have also done well. The crop production at these estates during 2009-10 was 21.94 lakh kgs representing an increase of 13% over the previous year. The crop achieved by these two estates is the highest since 2000-01.

G. Community Development, Employees' Welfare and Environment Conservation

Your Company contributes significantly to social and community development through comprehensive welfare programmes that offer healthcare, education and other benefits. The company has established a hospital, adult-literacy centres, childcare centres and schools to educate the children of the nearly 34,000 employees of its associate company, KDHP. These establishments continue to serve not just the employees and their families of KDHP but also of the community at large. Your Company's hospital was engaged in several community welfare activities in the form of conducting medical camps in surrounding villages, health examination of all the students at High Range School, continuing medical programmes for full sensitization and awareness on HIV and AIDs etc. In addition, the company specially focuses to address the needs of the "differently abled" children of the workers and they are trained in various vocations with a view to provide them with adequate skills and abilities. Srishti complex has recently set up a Bakery Unit as part of its efforts to provide meaningful training and occupation to the specially challenged members of the local community. Your Company's environment policy is focused on managing the nature and quantity of waste we create, and on the energy we use in our facilities and in the movement of goods and people. Your Company has institutionalized a process of Annual Welfare Audit conducted by renowned WHO experts, among the first Indian companies to do so.

Your Company has also signed with Ethical Tea Partnership, a non-commercial alliance of over 20 international tea packers with a unified vision for a global tea industry that is socially just and environmentally sustainable. The Organisation works to monitor and improve the social and environmental conditions under which tea is produced and to improve the lives of tea workers. It is also the intention to source all tea used in the 'Tetley' brand globally from Rainforest Alliance Certified™ farms by 2016.

7. Industrial Relations

During the year under review, industrial relations remained generally peaceful at all our offices and establishments.

8. Restructure of India Operations

Your Directors wish to inform you that with a view to unlocking synergies of operations and ensure that the Company operates in a more cohesive and coherent manner, it was felt desirable to consolidate some of the functions operating out of Kolkata with its office in Bangalore. The additional benefit of coming together will help accelerate the process of establishing a new beverage entity culture. The registered office will continue to remain at Kolkata and certain key functions like Tea Buying/Blending and Zonal sales office will also continue to function from Kolkata. The process of consolidation and relocation would result in inconvenience to some employees and your Company is addressing all the issues of the employees to make the transition in a smooth manner.

9. Corporate Governance & MD & A

A detailed report on Corporate Governance is separately attached together with a report on Management Discussion and Analysis (MDA). The MDA also covers the consolidated operations and reflects the global nature of our business.

10. Tata Business Excellence Model (TBEM)

The TBEM initiatives for your Company have now been integrated with that of subsidiaries and associates so as to encompass the entire group of companies as a single beverage business. The initiative will seek to describe the strategic direction of the organisation as well as how the people and processes across the business translate this into actions. The Senior Management and their teams lead market delivery and will play a key role to bring together the consumer and

customer related process and outcome elements. The functional teams will ensure that their process and outcomes describe how they provide global support to the rest of the business.

11. Directors' Responsibility Statement

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956 ('the Act') and based on the representations received from the operating management, your Directors hereby confirm that :-

- i) In the preparation of the Annual Accounts for 2009-10, the applicable Accounting Standards have been followed and there are no material departures.
- ii) They have selected such accounting policies with the approval of the Statutory Auditors and 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 of the Company for the financial year.
- 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 Companies Act, 1956. They confirm that there are adequate systems and controls 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.

12. Directors

In compliance with the Tata Group policy on retirement of directors, adopted by your Company, Mr. Y. H. Malegam and Mr. D. B. Engineer stepped down from the Board of the Company, with effect from 28th January 2010, on their attaining the age of superannuation. Both Mr. Malegam and Mr. Engineer had been associated with the Company for a very long time and have made significant contribution to the growth of the Company. Your Directors wish to place on record their appreciation of the distinguished services rendered and the rich and valuable contributions made by both Mr. Malegam and Mr. Engineer.

At the Board meeting held on 28th January 2010 your Directors appointed Mrs. Ranjana Kumar as an Additional Director of the Company with effect from 29th January 2010, being the date of her receiving the Director Identification Number.

At the Board meeting held on 30th April 2010, the Board appointed Mr. Ajay Shankar as an Additional Director of the Company with effect from 30th April 2010.

Both Mrs. Ranjana Kumar and Mr. Ajay Shankar hold office upto the date of the forthcoming Annual General Meeting and the Company has received separate notices from members informing his/her intention to propose the candidature of Mrs. Ranjana Kumar and Mr. Ajay Shankar as Directors of the Company .

Mr. R. N. Tata, Mr. F. K. Kavarana and Mr. U. M. Rao retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

Brief particulars and expertise of these Directors and their other directorships and committee memberships have been given in the annexure to the Notice of the Annual General Meeting in accordance with the requirements of Listing agreement with Stock Exchanges.

All these directors have filed Form DD-A with the Company as required under the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003 .

13. Auditors

The Members are requested to appoint the Auditors and fix their remuneration. Messrs. N. M. Rajji & Co., and Lovelock & Lewes, the retiring Auditors have furnished certificates of their eligibility for re-appointment as required under the Companies Act, 1956.

14. Particulars of Employees

Information as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this report. However as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the report and accounts are being sent excluding the statement containing the particulars to be provided under Section 217(2A) of the Companies Act 1956. Any member interested in obtaining such particulars may write to the Company Secretary for a copy thereof.

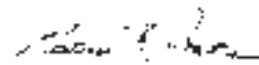
15. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed to this report.

16. Concluding Remarks

Your Directors are sure that the shareholders would like to join them in conveying their appreciation to all employees of the Company for their sincere and dedicated services during 2009-10 without which such performance would not have been possible.

On behalf of the Board of Directors



(R. N. TATA)
Chairman

Mumbai, ----- 2010

Particulars of Conservation of energy, Technology absorption and Foreign exchange earnings and outgo in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Directors) Rules, 1988 forming part of the Directors' Report for the year ended 31st March 2010:

A. CONSERVATION OF ENERGY

1. Energy conservation measures taken during 2009-10

- a) At Pullivasal and Periakanal estates, the running of the fans in the troughs was monitored resulting in reducing electrical energy. The use of generators was restricted, as it was not cost effective. The estates continued its efforts in reducing heat leakages by thermal insulation of the flow pipes.
- b) At Instant Tea unit, the energy conservation measures taken were replacement of 40W tubes with energy efficient 36W tubes and high wattage conventional 20W chokes with 2W electronic chokes. The unit installed Air turbine ventilators in the factory and warehouses resulting in improvement of the room temperature by 3°C as compared to the normal temperature, without any energy input.

2. Additional investment and any new proposal under implementation aimed at energy conservation

The process of conversion of incandescent lamps to CFL's in the estates/ workers quarters at Pullivasal / Periakanal estates is expected to result in an additional investment of approximately Rs. 3.56 lacs. Your company provides these CFL lamps to the workers at a highly subsidized cost.

3. Impact of the measures taken

Savings will result to the extent of 80% of energy for every CFL used in the two estates / workers quarters. However such savings in electrical consumption will be reflected in the coming season. The measures initiated at the Instant Tea unit is expected to result in an approximate annual energy saving of over 7000 units. Further in the Instant Tea unit, the Ratio of usage between the captive generated power and grid power has improved significantly resulting in energy conservation.

The Instant Tea unit factory has been certified under SA 8000 series of standards. This is a measure of our compliance with national and international norms with regard to safety and welfare of our employees.

FORM A**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

	2009-10	2008-09
POWER & FUEL CONSUMPTION		
ELECTRICITY PURCHASED		
Units (lacs kwh)	99.72	100.03
Total amount (Rs/Lacs)	457.21	530.67
Rate / Unit (Rs/kwh)	4.58	5.31
OWN GENERATION (Through Diesel Generator)		
Units (lacs kwh)	14.73	11.15
Total amount (Rs/Lacs)	156.47	113.27
Units/ltr of diesel	4.11	3.70
Rate / Unit (Rs/kwh)	10.62	10.16
COAL	-	-
FURNACE OIL		
Quantity (kl)	2864.76	2109.40
Total Cost (Rs/Lacs)	653.29	476.71
Average Rate (Rs/kl)	22804.31	22599.30
OTHERS - FIREWOOD		
Quantity (Lac/Cu.Mt)	0.24	0.23
Total Cost (Rs/Lacs)	218.39	281.32
Average Rate (Rs/Cu.Mt.)	924.76	1227.08
CONSUMPTION PER UNIT OF PRODUCTION		
TEA		
Electricity (Units/Kg. of Tea)	0.14	0.08
Firewood/1000 kg. of sifted tea	6.07	5.44
INSTANT TEA		
Electricity (Units/Kg. of Tea)	2.64	2.56
Furnace Oil (Ltrs./Kg. of Tea)	1.56	1.14
Coal	-	-
Others - Firewood (Cu.Mt's/Kg. of Tea)	0.005	0.007

The rate per unit of electricity purchased has come down by 14% in 2009-10 due to changes in allocation of electricity usage norms at the estates and usage of high consumption machineries outside peak hours.

The increase in units of own generation of electricity per litre of diesel is due to better maintenance of the generator sets.

Higher consumption of furnace oil at ITO is on account of bio gassifier and non availability of firewood.

FORM B

1 Specific areas in which R&D is being carried out in the company

The work programme in R&D Bangalore focuses on new product and process development, technical support to ensure product compliance and working with the trade to improve capabilities for compliance with legislation.

The new product and process improvement programme covers tea, coffee and water based beverages and includes working with ingredient companies, collaborative projects and investigation of opportunities for collaboration with companies. A key area of development is that of functional beverages using ingredients beneficial to health which also includes herbs and other extracts. The technical support and audit programme provides data on product and packaging tests to monitor conformance to quality requirements. The technical support projects are development of packaging materials including teabag tissues, analytical method development and the analytical support programs such as the completion of the work on moisture in tea to confirm to the quality specification. The setting up of the Science & Technology Group, whose director is based in Bangalore, reporting into Global Marketing, UK has facilitated the development of close collaboration with the Global Innovation and Projects & Development functions in the UK. Such collaboration will help develop concepts for a global customer base.

Development of new products involves identification and use of healthy ingredients, nutrients and other herbal ingredients (including Ayurvedic herbs) to supplement the beneficial aspects of tea, coffee and water. This work includes discussions with experts and suppliers both in India and abroad. This helped the Company to improve the understanding of various ingredients, its interactions, their functionalities and their potential application and providing knowledge for their inclusion in products being developed. In addition, participation in the Tata Innocluster Groups and exploratory discussions with potential International collaborators has broadened the new product opportunities being investigated this year.

Collaborative research, sponsored analytical work and Technical discussions were held with institutions like CFTRI, SNDT Womens University, NIN, CIPET, Global Calcium, Synthetic Industries, Shiva Analytical, SGS, TUV-SUD, SJRC in India, University of Leeds and Surrey in UK, University of California, Davis and DSM Nutrition in USA, Swiss Federal Institute of Technology (EHT), Institut fuer Lebensmittelchemie and Eurofins in Germany and Guelph Food Technology Centre, Canada. The range of activities of these collaborations were to aid technical resolution of issues, clinical research, analytical and process development studies, routine analysis and shelf life studies to support developmental work. This broadens the capabilities of the in house resources to meet the requirements of the Company.

2. Benefits derived as a result of R&D

The successful launch of the Tion range, the ready-to-drink beverage combining the goodness of tea and fruit juices with the added benefits of exotic herbs, was extended to the whole of Tamil Nadu and Kerala. During the year under review, a new green tea variant, Orange Spice was added to the existing range of Apple Buzz, Peach Punch and Mango Rush.

A new black tea with Tulsi-Lemon flavour was also launched during the year under Tetley brand, as a line extension of existing range of flavoured tea bags.

The testing programme to ensure conformance of the products to quality specifications was completed with products selected by a sampling plan including all brands and their variants of tea and RTD beverages from all packing centres. The analyses carried out are iron filing, pesticide residues, heavy metals PFA specifications and additional food safety requirements. All the samples analysed showed total compliance to specifications indicating Company's commitment to quality and consumer safety.

R&D continues to work on local and international legislation and standards with industry committees. The interactions are with CII & FICCI in India to provide comments and proposals on regulations and draft legislation introduced by the Government. We have submitted proposals for tea, coffee, herbal tea, water and health drinks during the development of the FSSAI regulations. The Company participated in discussions with BSI and ISO Tea Committee (20-22 October 2009) which met this year for development of a new green tea standard, improvement of the black tea standard and modifications to the Instant Tea standards. The Company also interacted with the FAO IGG Working Group, Tea Associations and Regulatory bodies of Australia, Canada, USA and, the Indian Tea Board MRL sub-Committee on pesticides for development of new MRLs for tea..

The Company also contracted a clinical study with SNDT University, Mumbai to explore the thermogenic effects of green tea in a demographical study and the same indicated positive results.

R&D continues to provide support to the Supply Chain Function on various technical issues.

This year has seen R&D move into a modern laboratory with an improved range of analytical and development instruments and facilities to enable effective contribution through its product development and analytical support work programmes.

3. Future Plan of Action

R&D Bangalore will continue to develop a portfolio of new products and processes targeting 'good for you' beverage products with focus on health and nutrition. The emphasis on innovative and differentiated product development will contribute to the NPD funnel that is focused on keeping in step with the rapidly changing global beverages market. The key challenge for the future is to build and broaden the range of products to meet the Company's global growth agenda. Improvement in resources and resource utilization will also be a focus in the coming year.

NPD Projects of a global nature with a health focus will increasingly be part of the agenda, both commercial and technically driven and evaluated quickly to identify those of significance to the Company's strategic growth plan. More collaborative work between the Science and Technology Group, Bangalore and the Technical Group, UK will be undertaken with the increasing possibility of exchange of technical personnel, which has already begun, to enable sharing of experience and technical knowledge.

Active participation in the development of the Commercial innovation agenda to provide the roadmap for the next generation of differentiated health products for competitive edge through scientific support for their functionalities to contribute to the global growth agenda would continue to be a key focus area.

Work will also continue with the CII, FICCI, Tea Board, BIS etc and the regulatory bodies including the FSSAI to submit contributions on legislation relating to food safety and standards. The IP Roadmap will continue to be defined to ensure protection of the Company's interests in developmental activities.

Addressing international issues such as pesticide regulations, development of Indian and International standards and the development of regulatory standards on tea and health will continue to be part of the work programme.

4. Expenditure on R & D

	2009-10	2008-09
Capital	64.45	57.78
Revenue	383.10	329.85
	447.55	387.63
R & D expenditure as percentage of turnover	0.26	0.28

5. Technology Absorption, Adaptation & Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

The efforts in technology adaption and innovation resulted in the following:

- Development of Ready-to-Drink formulation – 4 variants
- Development of Flavoured Tea : Tulsi-Lemon variant
- Collaborative work carried out with CFTRI, Mysore, SNTD, Mumbai

2. Benefits derived as a result of the above efforts

The benefit is that the Company is able to offer a portfolio of branded products to our consumers in the form of new and innovative products. The new variants under the T!on brand and the Tulsi-Lemon flavoured tea introduced are the efforts of the technology developed by your Company. The collaboration undertaken with CFTRI will be progressed and will be evaluated by the R&D team in terms of development of new variants / products.

3. Imported Technology

The Company has not imported any technology during the last five years and hence furnishing the information required under 3 (a) to 3 (d) does not arise.

6. **Foreign Exchange Earnings and Outgo**

Exports: Total exports during the year at FOB value of Rs. 155.59 crores were higher than Rs. 136.73 crores achieved in the previous year. The Tea Bag unit at Kochi continued to meet the Group's requirements in Australia, Eastern Europe and Middle East and performed well during the year.

		Rs. Lakhs
	2009-10	2008-09
i) Value of imports		
Raw Materials	3548.87	3055.89
Stores, spare parts & Packing Material	1640.10	1989.98
Capital Goods	1023.78	73.67
ii) Expenditure in Foreign Currency		
Selling expenses	320.38	323.44
Foreign travel	99.88	95.26
Professional fees	65.96	257.32
Management Service fees	1717.12	-
Other expenses	311.53	274.40
iii) Foreign Exchange Earned		
FOB Value of exports	15558.84	13673.07
Technical Services fees – Gross	93.55	94.36
Dividends - Gross	6955.21	10049.69
Management Service Fees	642.83	-
Others (Freight, Insurance, etc.)	821.89	715.13

1. Company's Philosophy on Code of Governance

The corporate governance philosophy of your Company is to ensure transparency in all dealings and in the functioning of the management and the Board. These policies seek to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regulatory compliances. The Company operates within accepted standards of propriety, fair play and justice and aims at creating a culture of openness in relationships between itself and its stake-holders. It has set up a system which enables all its employees to voice their concerns openly and without any fear or inhibition. The corporate governance philosophy of the Company has been further strengthened through the Tata Code of Conduct, Tata Business Excellence Model, Tata Code for Prevention of Insider Trading and Code of Corporate Disclosure policies.

As a global organisation the corporate governance practices followed by your Company are compatible with international standards and best practices. As a responsible corporate citizen, your Company has established systems to encourage and recognize employee participation and volunteering in environmental and social initiatives that contribute to organizational sustainability, systematic training, learning and personal growth, conservation of energy and other scarce resources, promoting safety and health of its employees and of the neighbouring community etc. These actions have become integral part of your company's operating plans and are not meant for building of image or publicity.

2. Board of Directors

As on 31st March, 2010 the Company had 13 directors and the composition of the Board of Directors is given in the table below. The Chairman of the Board is a non-executive director and about 85% of the Board comprises of non-executive directors. During the year 2009-10 two independent directors, viz., Mr. Y. H. Malegam and Mr. D. B. Engineer retired from the Board with effect from 28th January, 2010 consequent to their having attained the age of superannuation. The Board at its meetings on 28th January, 2010 and 30th April, 2010 appointed Mrs. Ranjana Kumar and Mr. Ajay Shankar respectively as additional independent directors with effect from 29th January, 2010 and 30th April, 2010 respectively. In terms of Clause 49 of the Listing Agreement with the Stock Exchanges as amended during 2008-09, at least 50% of the Board should comprise of non-executive independent directors. However as of 31st March, 2010, the independent directors comprised 46.15% on account of retirement of two directors. The two vacancies that arose on 28th January, 2010 were filled up on 29th January, 2010 and 30th April, 2010, within the time specified in Clause 49 C (iv) of the Listing Agreement. The Company is thus in compliance with the requirement that 50% of the Board should comprise of non-executive independent directors.

- A. Composition & Category of Directors, Attendance of each Director at the Board Meetings and the last AGM, Number of other Boards or Board Committees in which he/she is a Member or Chairperson, Number of Board Meetings held, dates on which held**
Composition of Board of Directors as on 31st March, 2010

Category	Number of Directors	%
Non-Independent Directors	4	30.77
Managing & Executive Directors	2	15.39
Non-Executive Independent Directors	6	46.15
Other Non-Executive Director	1	7.69
	13	100.00

During 2009-10 Mr. Y. H. Malegam and Mr. D. B. Engineer stepped down from the Board consequent to their attaining the age of superannuation. Mrs. Ranjana Kumar and Mr. Ajay Shankar were appointed as additional independent directors on the Board with effect from 29th January, 2010 and 30th April, 2010 respectively.

Details of attendance of Directors at Board Meetings and at the last Annual General Meeting with particulars of their other Directorships and Chairman/Membership of Board Committees (excluding Tata Global Beverages Ltd.) showing the position as on 31st March, 2010 are given in the following table:

Name of Director	Position	Attendance at		Directorships and Chairman/ Membership of Board Committees in other Indian public companies		
		Board Meetings	Last AGM	Director	Committee Member	Committee Chairman
Mr. R. N. Tata	C, NED & NI	3	Yes	10	-	-
Mr. R. K. Krishna Kumar	VC, NED & NI	5	Yes	10	1	1
Mr. U. M. Rao	NED & I	5	Yes	2	2	1
Ms. M. Srinivasan	NED & I	2	No	4	1	-
Mr. A. Singh	NED & I	1	No	13	-	-
Mr. J. S. Bilimoria	NED & I	5	Yes	8	4	3
Mr. F. K. Kavarana	NED& NI	4	Yes	9	2	4
Mr. A. R. Gandhi	NED & NI	4	Yes	9	3	-
Mr. V. Leeladhar #	NED & I	5	Yes	-	-	-
Mrs. Ranjana Kumar *	NED & I	NA	NA	1	-	-
Mr. P. D. Unsworth	NED & NI	5	Yes	-	-	-
Mr. P. T. Siganporia	MD	5	Yes	2	-	-
Ms. S. Talwar	ED	5	Yes	1	-	-
Mr. Y H Malegam (Upto 28th January 2010)	NED & I	5	Yes	NA	NA	NA
Mr. D B Engineer (Upto 28th January 2010)	NED & I	4	Yes	NA	NA	NA

Joined the Board from 24.4.2009

* Joined the Board from 29.1.2010

C : Chairman; VC : Vice Chairman; NI : Non- Independent; NED : Non-Executive Director; I : Independent Director; MD : Managing Director; ED : Executive Director; NA : Not Applicable

Note : Other Directorships do not include, Directorships of private limited companies, foreign companies & Section 25 companies and Alternate Directorships.

Other than the Managing and Wholtime Directors all Directors are liable to retire by rotation.

Minutes of the meetings of all the Board Committees are circulated to all the Directors.

Particulars about a Director proposed for re-appointment as well as the Directors who are retiring by rotation and eligible for re-appointment have been given in the attachment to the Notice and Explanatory Statement.

The company has received declarations on six criteria of independence as prescribed in Clause 49.IA (iii) of the Listing Agreement from the directors of the company who have been classified as Independent directors.

No director of the Company is related to any other director of the Company.

B. Non-executive directors' compensation and disclosures

The non-executive directors including Independent directors are paid Sitting fees for attending the meetings of the Board and Committees of the Board. The Company pays a fee of Rs.20,000 per meeting per director for attending meetings of the Board, Audit and Executive committees. For meetings of all other committees of the Board a Sitting fee of Rs.10,000 per meeting per director is paid. Within the ceiling of 1% of net profits of the Company computed under the applicable provisions of the Companies Act, 1956, the non-executive directors including Independent directors are also paid a commission, the amount whereof is determined by the Board. The basis of determining the specific amount of commission payable to a non-executive director is related to his attendance at meetings, contribution at meetings as perceived by the Board/ Chairman/ Vice Chairman and the extent of consultations with the director outside the meetings. The shareholders of the Company had approved payment of commission to the non-executive directors at the Annual General Meeting held on 1st September, 2009 which is valid up to the financial year ending 31st March, 2014. No Stock option has been granted to the non-executive directors.

C. Other provisions as to Board and Committees

During 2009-10, the Board met five times on 10th June, 2009, 28th July, 2009, 1st September, 2009, 28th October, 2009 and 28th January, 2010. The maximum time gap between two board meetings was less than four months. As

will be noted from the table given above no director is member of more than 10 board committees or chairman of more than 5 board committees across all companies where he/she is a director.

Chairmanship/Membership of Board Committees includes membership of Audit and Investors'/Shareholders' Grievance Committees of Indian public limited companies only as clarified by SEBI.

The Board has reviewed compliance by the Company with all applicable laws and steps taken by the company to rectify instances of non-compliances. Where permitted, rectification of instances of non-compliance is being carried out in a phased manner keeping in view the cost implications.

D. Code of Conduct

Tata Code of Conduct is a comprehensive written code which is applicable to all employees including the Managing and Executive Directors. A condensed code of conduct applicable to the non-executive directors was laid down by the Board. Both the Tata Code of Conduct and the Code of Conduct for non-executive directors have been posted on the website of the Company.

In respect of financial year 2009-10 all Board members and Senior Management personnel of the Company have affirmed compliance with the code as applicable to them.

3. Audit Committee

i. Brief description of the terms of reference

A qualified and independent audit committee has been set up by the Board in compliance with the requirements of Clause 49 of the Listing Agreement with Stock Exchanges read with Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee include:

- a) Review of the quarterly and half yearly financial results with the management and the statutory auditors;
- b) Review with the management and statutory auditors of the annual financial statements before submission to the Board;
- c) Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;
- d) Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;
- e) Review of the financial reporting process and disclosure of financial information;
- f) Review of the adequacy of the internal audit function;
- g) Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
- h) Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;
- i) Authority to investigate into any matter covered by Section 292A of the Companies Act, 1956;
- j) Reviewing the Company's financial and risk management policies.

ii. Composition, names of members and Chairperson

All the members of the Audit Committee are Non-Executive Directors and four of them including the Chairman are Independent Directors. All the members of the Audit Committee are financially literate as defined in Clause 49.II.(A). (ii) of the Listing agreement.

Mr. Y. H. Malegam, ceased to be the Chairman of the Audit Committee consequent to his stepping down as director with effect from the close of 28th January, 2010. Mr. Malegam was present at the last Annual General Meeting of the Company held on 1st September, 2009.

Mr. J. S. Bilimoria was appointed as the Chairman of the Audit Committee by the Board with effect from 29th January, 2010. Mr. Bilimoria possesses expert knowledge in finance and accounting. He was also present at the last Annual General Meeting of the Company held on 1st September, 2009.

The composition of the Committee as on 31st March, 2010 and particulars of attendance by the members is given in the table below:

Name	Category	No of meetings during 2009-10	
		Held	Attended
Mr. J. S. Bilimoria*	Independent, Non-Executive	5	5
Mr. R. K. Krishna kumar	Non-independent, Non-Executive	6	4
Mr. A. R. Gandhi#	Non-independent, Non-Executive	5	3
Mr. U. M. Rao	Independent, Non-Executive	6	6
Mr. V. Leeladhar#	Independent, Non-Executive	5	4
Mrs. Ranjana Kumar^	Independent, Non-Executive	1	1

* Member from 11th June, 2009 to 28th January, 2010 and Chairman from 29th January, 2010

Member from 11th June, 2009

^ Member from 29th January, 2010

iii. **Meetings and attendance during the year**

During 2009-10, six Audit Committee meetings were held on 29th May, 2009, 27th July, 2009, 26th October, 2009, 1st December, 2009, 27th January, 2010, and 30th March, 2010. The Committee Meetings are attended by invitation by the Managing Director, Executive Director, Group Chief Finance Officer, Vice President - Finance, Chief Internal Auditor, Chief Executive Officer of the Tetley Group, the Statutory Auditors and the Management Auditors. The Company Secretary acts as the Secretary of the Audit Committee.

4. **Remuneration Committee**

i. **Brief description of terms of reference**

The Board has set up a Remuneration/ESOS Compensation Committee. This Committee is responsible for recommending to the Board, the remuneration package of Managing and Whole-time Directors including their annual increment and commission after reviewing their performance.

ii. **Composition, name of members and Chairperson**

The Remuneration/ESOS Compensation Committee consists of 6 directors. Mrs. Ranjana Kumar became a member and Chairman with effect from 29th January, 2010. Mr. D. B. Engineer, who stepped down from the Board as a director with effect from the close of 28th January, 2010 was the Chairman of the Remuneration/ESOS Committee upto 28th January, 2010.

The composition of the Committee as on 31st March, 2010 and particulars of attendance by the members is given in the table below:

Name	Category	No. of meetings during 2009-10	
		Held	Attended
Mrs. Ranjana Kumar	Independent, Non-Executive	-	-
Mr. R. K. Krishna kumar	Non-independent, Non-Executive	2	2
Mr. U. M. Rao	Independent, Non-Executive	2	2
Mr. A. R. Gandhi	Non-independent, Non-Executive	2	1
Mr. J. S. Bilimoria	Independent, Non-Executive	2	1
Mr. V. Leeladhar	Independent, Non-Executive	2	1

iii. **Meetings and attendance during the year**

The Remuneration Committee met twice during 2009-10 on 10th June, 2009 and on 7th July, 2009, the particulars of attendance are mentioned in Note No. 4(ii) above.

iv. **Remuneration policy**

The remuneration policy followed by the Company takes into consideration performance of the Company during the year and of the Managing and Whole-time Directors on certain parameters, such as condition of the industry, achievement of budgeted targets, growth & diversification, remuneration in other companies of comparable size and complexity, performance of the directors at meetings of the Board and of the Board Committees etc.

v. Details of remuneration to all the directors

	Mr. P. T. Siganporia Rs. in Lakhs	Ms. S. Talwar Rs. in Lakhs
Salary	38.12*	41.40
Allowances & Perquisites	-	45.41
Contribution to Retiral Funds	13.47	14.63
Commission (relating to 2008-09)	-	90.00
Stock option	-	-
No. of Shares held	264	500
Service Contract	2 years from 1st July, 2009	5 years from 1st July, 2009
Notice period	6 months	3 months

*In addition Mr. Siganporia drew the following remuneration and commission from an overseas subsidiary of the Company, namely, Tata Tea (GB) Limited:

	Mr. P. T. Siganporia Rs. in Lakhs
Salary	320.87
Allowances & Perquisites	43.42

- Notes: 1. The remuneration drawn in GBP has been converted into INR at average exchange rate.
2. The drawal of remuneration from the overseas subsidiary was approved by the Shareholders at the Annual General Meeting held on 1st September, 2009 and subsequently by the Central Government.

Non-Executive Directors' Remuneration paid in 2009-10

	Commission Rs. in Lakhs (Relating to 2008-09)	Sitting Fees Rs. in Lakhs	No. of shares held as on 31.03.2010
Mr. R. N. Tata	40.00	0.60	2,040
Mr. R. K. Krishna kumar	37.50	2.30	9,000
Mr. U. M. Rao	23.00	2.90	-
Mr. F. K. Kavarana	11.11	1.30	-
Mr. A. R. Gandhi	22.00	1.70	-
Ms. M. Srinivasan	2.50	0.40	-
Mr. A. Singh	2.50	0.20	-
Mr. V. Leeladhar	NA	2.20	-
Mr. J. S. Bilimoria	NA	2.30	-
Mrs. Ranjana Kumar (appointed from 29.01.10)	NA	0.20	-
Mr. P. D. Unsworth	3.14	1.00	-
Mr. Y. H. Malegam	30.00	2.20	NA
Mr. D. B. Engineer	8.15	1.00	NA

- Notes: 1. The resolutions appointing these directors do not provide for payment of severance fees.
2. The above excludes Rs. 17.73 Lakhs being post-retirement pension benefit paid/payable to a former Managing Director.

3. Shareholders/Investors' Grievance Committee

i. Name of the Non-Executive Director heading the Committee

As on 31st March, 2010, the Shareholders'/Investors' Grievance Committee comprised of two members with Mr. F. K. Kavarana as the Chairman of the Committee and Mr. U.M. Rao as the other member of the Committee. Mr. D. B. Engineer, who stepped down from the Board as a director with effect from the close of 28th January, 2010 ceased to be a member of the Committee with effect from the close of 28th January, 2010. Mr. Ajay Shankar was inducted as a member of the Committee with effect from 30th April, 2010.

The Committee held one meeting during 2009-10 on 29th March, 2010. The representatives of the Registrar are generally present in these meetings. The Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement of the quality of investor services.

To expedite the process of share transfers the Board has delegated the power of share transfer to the Registrars and share transfer agent and share transfer formalities are approved by them on a fortnightly basis. The composition of the Committee and details of attendance by its members is given below:

Name	Category	No of meetings during 2009-10	
		Held	Attended
Mr. F. K. Kavarana	Non-independent, Non-Executive	1	1
Mr. U. M. Rao	Independent, Non-Executive	1	1
Mr. D. B. Engineer (upto 28th January, 2010)	Independent, Non-Executive	NA	NA

- ii. **Name and designation of Compliance Officer**
Mr. V. Madan, Vice President & Secretary is the Compliance Officer.
- iii. **Number of shareholders' complaints received so far, Number not solved to the satisfaction of shareholders and Number of pending complaints**
Given below are the position of queries/complaints and other correspondences received and attended to during 2009-10 in respect of equity shares and fixed deposits:

	Equity Shares	Fixed Deposits
For non-receipt of dividend/interest, shares lodged for transfer, Deposit receipt, repayment cheques	1522	Nil
Queries/Complaints redressed	1519	Nil
Pending queries/complaints as on 31.03.2010	3	Nil
Other Letters received from shareholders and Depositors and replied	1869	Nil

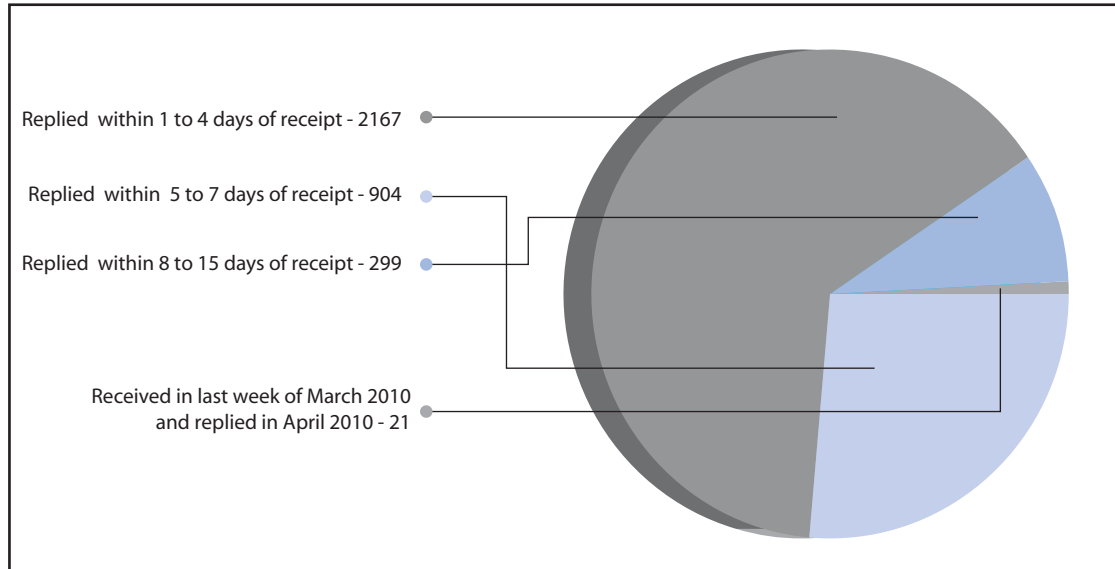
During 2009-10 the Company/Registrars had received 7 complaints from the shareholders. 5 complaints have been resolved and 2 are pending execution of documents from the shareholders.

Every letter received from the investors is replied and the response time for shareholders' correspondences during 2009-10 is shown in the following table:

	Number	%
Total number of correspondences received during 2009-10	3391	100.00
Replied within 1 to 4 days of receipt	2167	63.90
Replied within 5 to 7 days of receipt	904	26.66
Replied within 8 to 15 days of receipt	299	8.82
Received in last week of March, 2010 and replied in April, 2010	21	0.62

Promptness in attending to correspondences of shareholders is shown in the following chart:

Response Time



The shares of the Company are traded in dematerialised form. A table showing the requests received for dematerialisation/transfer during 2009-10 is given below:

	Transfers No. of requests	Transfers No. of shares	Demats No. of requests	Demats No. of shares
Lodged	689	83446	1345	232681
Processed	341	43178	833	146881
Objections	338	39215	494	84228
Pending as on 31-03-2010*	10	1053	18	1222

*These transfers and Demat requests were lodged in the last week of March, 2010 and were processed in April, 2010.

Note: 95.70% of the issued share capital of the Company is held in dematerialized form as on 31.03.2010

6. Other Board Committees

The Board had constituted following other Board Committees besides the three Committees mentioned above:

Name of Committee	Members	Terms of reference
Executive Committee	Mr. R. N. Tata - Chairman Mr. R. K. Krishna Kumar Mr. U. M. Rao Mr. P. T. Siganporia Ms. S. Talwar Mr. L. Krishnakumar - Group CFO (Not a Board member)	Business and strategy review, long term financial projections and cash flows, capital/revenue budgets and capital expenditure programmes, acquisition/divestment and business restructuring proposals, senior management succession, planning and any other item that the Board may decide to delegate.
Nomination Committee	Mr. R. N. Tata - Chairman Mr. R. K. Krishna Kumar Mr. F. K. Kavarana Mr. A. R. Gandhi Mr. Y. H. Malegam (upto 28th January, 2010)	To identify independent directors to be inducted into the Board from time to time and take steps to refresh the composition of the Board from time to time.
Ethics and Compliance Committee	Mr. F. K. Kavarana - Chairman Mr. P. T. Siganporia Mr. V. Leeladhar (from 11th June, 2009)	To look into the requirements under Insider Trading Regulations including the Group guidelines on Insider Trading and Tata Code of Conduct.

Name of Committee	Members	Terms of reference
Corporate Sustainability Reporting Committee	Mr. U. M. Rao - Chairman Mr. P. T. Siganporia Dr. S. Parasuraman - Expert member (Not a Board member)	To monitor and provide guidance on company's policies on environment management, social responsibilities, health & safety, product stewardship, community development, principles of managing branded operations, etc. The Committee will also provide guidance on welfare activities in and around Munnar.

During 2009-10 one meeting each of the Nomination Committee and Ethics & Compliance Committee and 3 meetings of the CSR Committee were held. No meeting of the Executive Committee was held during 2009-10.

7. General Body Meetings

- i. Location and time, where last three AGMs held, Whether any special resolutions passed in the previous 3 AGMs
The last three Annual General Meetings of the Company were held as under:

Year	Location	Date	Time	No. of Special Resolutions approved at the AGM
2006-07	The Oberoi Grand 15, Jawaharlal Nehru Road Kolkata – 700 013	10th August, 2007	10.30 a.m.	Nil
2007-08	Same as above	22nd August, 2008	10.30 a.m.	Nil
2008-09	Same as above	1st September, 2009	10.30 a.m.	3

- ii. Whether any special resolution passed last year through postal ballot – details of voting pattern

During 2009-10, no special resolutions was approved by the shareholders through Postal Ballot.

In May/June 2010, two special resolutions were approved by the shareholders through a postal ballot. The Special resolutions related to change in the name of the Company from Tata Tea Limited to Tata Global Beverages Limited and change in the Articles of Association of the Company consequent to sub-division in the Equity Shares of the Company. Both the Special Resolutions were passed with the requisite majority. The members also approved through the postal ballot two ordinary Resolutions relating to the sub-division of the Equity Shares of the Company and alteration of the Capital Clause of the Memorandum of Association consequent to the sub- division of Equity Shares. Both the Ordinary Resolutions were also passed with the requisite majority.

Postal Ballot held in May/June 2010

	Resolution No. 1 (Special Resolution) (Change in Name)			Resolution No. 2 (Ordinary Resolution) (Sub-division of shares)		
	Ballots	Votes	%	Ballots	Votes	%
Votes in favour	3692	35402003	99.78	3713	35393055	99.76
Votes against	115	20575	0.06	61	21854	0.06
Invalid Votes	310	57408	0.16	343	65067	0.18
Total	4117	35479986	100	4117	35479976	100

	Resolution No. 3 (Ordinary Resolution) (Alteration of Memorandum of Association)			Resolution No. 4 (Special Resolution) (Alteration of Articles of Association)		
	Ballots	Votes	%	Ballots	Votes	%
Votes in favour	3647	35385414	99.73	3638	35320545	99.72
Votes against	62	21545	0.06	59	21567	0.06
Invalid Votes	408	72987	0.21	420	77786	0.22
Total	4117	35479946	100	4117	35419898	100

- iii. Person who conducted the postal ballot exercise
2009-10 - Not applicable

The Postal Ballot exercise in May/June'10 was conducted by the Registrar and Share Transfer Agent of the Company, TSR Darashaw Ltd. under the overall supervision of the Company Secretary and Ms. Shirin Bharucha, Advocate, the Scrutinizer appointed by the Board.

- iv. Whether any special resolution is proposed to be conducted through postal ballot
At present there is no such proposal.

- v. Procedure for postal ballot

Postal Ballot is carried out following the procedure set out in Section 192A of the Companies Act, 1956 read with the Companies (The Passing of the Resolutions by Postal Ballot) Rules, 2001.

8. Disclosures

- i. Disclosures on materially significant related party transactions that may have potential conflict with the interest of company at large

Details of transactions of a material nature with any of the related parties as specified in Accounting Standard 18 of the Companies (Accounting Standards) Rules, 2006 have been reported in the Notes to Accounts. There was no transaction of a material nature with any of the related parties which was in conflict with the interest of the Company.

- ii. Details of non-compliance by the company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

There was no such instance in the last three years.

- iii. Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee.

The Board has approved a whistle blower policy which has been communicated to the employees. The policy provides a mechanism for employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of company's code of conduct and provides safeguards against victimization of employees who avail the mechanism. The policy permits reporting any concern relating to (i) financial/accounting matters and (ii) employees at the levels of Vice Presidents and above as also the Ethics counsellors directly to the Chairman of the Audit committee. For all other matters the concern can be reported to the Ethics counsellor of the Company. The policy with the name and address of Chairman of Audit committee has been circulated to the employees. No employee has been denied access to the Chairman of Audit committee.

- iv. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.

The Company is compliant with mandatory requirements of Clause 49 of the Listing agreement. As far as the seven non-mandatory requirements are concerned, the Board has set up a Remuneration Committee and there is no audit qualification in respect of the financial statements of the Company. The Board has also adopted a whistle blower policy which enables the employees to report concerns about unethical behaviour, actual or suspected fraud or violation of company's code of conduct. The policy provides direct access to the Chairman of the Audit Committee under certain circumstances. The policy has been communicated to the employees. Remaining non-mandatory requirements of Clause 49 are expected to be addressed in due course.

9. Means of Communication

- i. Quarterly results

While no half yearly results for the six months ended 30th September, 2009 was sent to the shareholders, the Company proposes to send the half yearly results for the half year ending 30th September, 2010 by early November, 2010.

- ii. Newspapers wherein results normally published

The quarterly results are generally published in The Statesman, The Indian Express, The New Indian Express, Business Standard, The Hindu, Business Line and Pratidin (Bengali).

- iii. Any website, where displayed

The quarterly results of the Company are put on the web site of the Company after these are submitted to the Stock Exchanges. Our web site address is www.tatatea.com

- iv. Whether it also displays official news releases
Yes

- v. The presentations made to institutional investors or to the analysts
The Company made a presentation to financial analysts on 10th June, 2009 after the results of the financial year 2008-09 were approved by the Board. Similar presentations were made to the analysts on 28th October, 2009 after the financial results for the six months ended 30th September, 2009 were approved by the Board. These presentations have been put up on the Company's website.

10. General Shareholders information

- i. AGM – Date, time and venue, Financial year, Date of Book Closure, Dividend payment date
Annual General Meeting: Monday, 23rd August, 2010 at 10.30 a.m. at
The Oberoi Grand
15 Jawaharlal Nehru Road
Kolkata – 700 013
- Financial Calendar: Board Meetings for approval of:
(tentative)
- | | | |
|---|---|----------------------------|
| Annual Accounts 2009-10 | - | 25th May, 2010 |
| Financial results for 1st Quarter 2010-11 | - | Last week of July, 2010 |
| Financial results for 2nd Quarter 2010-11 | - | Last week of October, 2010 |
| Financial results for 3rd Quarter 2010-11 | - | Last week of January, 2011 |
| Annual Accounts 2010-11 | - | Last week of May, 2011 |
- Book Closure Period 8th August, 2010 to 23rd August, 2010
(Both days inclusive)
- Dividend payment date 27th August, 2010
- ii. Listing on Stock Exchanges & Stock code
Listing on Stock Exchanges:
- a. Equity Shares
- The Calcutta Stock Exchange Association Ltd.
7, Lyons Range, Kolkata – 700 001
 - The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 001
 - National Stock Exchange of India Ltd.
Exchange Plaza,
Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051
 - Gauhati Stock Exchange Ltd.
2nd Floor, Shine Towers, Sati Jayamati Road,
Arya Chowk, Dehaban,
Guwahati – 781 108
- b. Global Depository Shares
- Stock Code
- | | | |
|-------------------------------------|---|----------------------|
| Luxembourg Stock Exchange | - | 27 (For Physical); |
| London Stock Exchange | - | 10000027 (For Demat) |
| Calcutta Stock Exchange | - | 500800 |
| Bombay Stock Exchange | - | 'TATATEA' |
| National Stock Exchange | - | L-784 |
| Guwahati Stock Exchange | - | INE192A01025 |
| National Securities Depository Ltd. | - | INE192A01025 |
| Central Depository Services Ltd. | - | |
- Demat ISIN Numbers
(post sub-division of Equity Shares
from face value of Rs.10 to Re.1 per share)
- Listing Fees
- Annual listing fees for 2009-10 has been paid to all the Stock Exchanges where the securities of the Company are listed

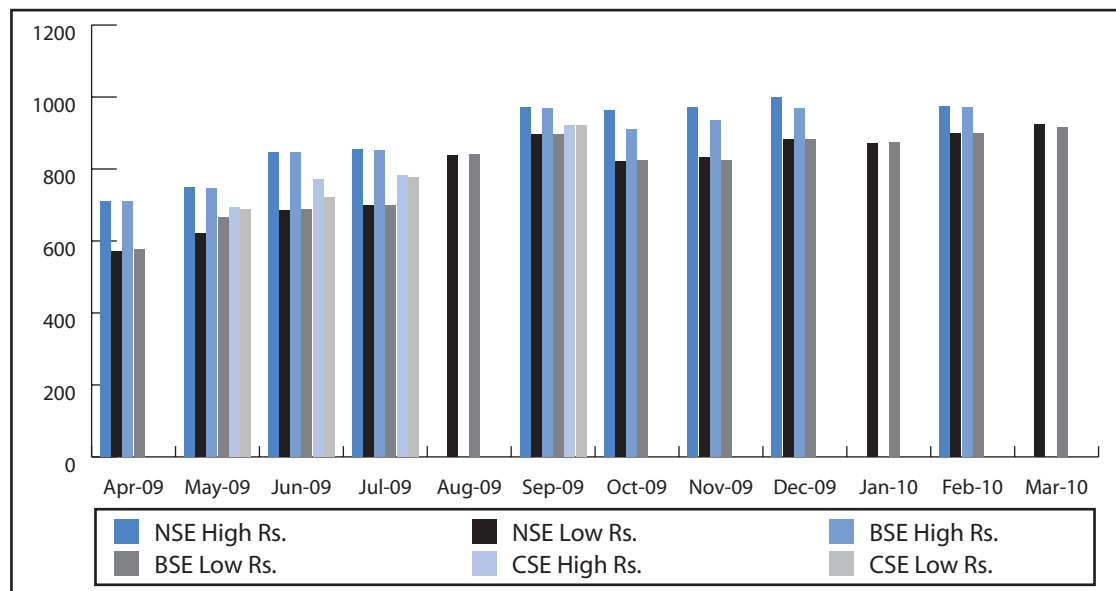
iii. Market price data – High, low during each month in the last financial year

MONTH	NSE		BSE		CSE	
	High Rs.	Low Rs.	High Rs.	Low Rs.	High Rs.	Low Rs.
April,2009	709.00	572.10	708.75	575.25	-	-
May,2009	749.00	620.00	747.00	666.20	694.00	689.00
June,2009	844.90	686.00	845.95	687.00	772.00	722.00
July,2009	855.00	700.00	851.80	699.00	783.00	777.00
August,2009	1017.90	837.00	1016.55	839.35	-	-
September,2009	970.35	895.00	969.00	895.00	921.00	920.50
October,2009	962.25	821.00	910.00	825.00	-	-
November,2009	970.00	832.00	935.00	823.00	-	-
December,2009	999.00	882.00	969.00	882.00	-	-
January,2010	1074.75	872.00	1075.00	873.60	-	-
February,2010	975.00	900.00	970.00	900.00	-	-
March,2010	1006.90	924.00	1018.70	915.05	-	-

NSE: National Stock Exchange of India Ltd.; BSE: Bombay Stock Exchange Ltd.; CSE: The Calcutta Stock Exchange Association Ltd.;

The market price data is graphically represented below:

SHARE PRICE



iv. Performance in comparison to broad-based indices

	NSE	BSE	CSE
Company's Share Price			
- As on 1st April, 2009	593.50	589.00	
- As on 31st March, 2010	978.85	979.60	
- Change	64.93%	66.32%	No trading
Indices			
	S & P CNX NIFTY	BSE 100	CSE 40
- As on 1st April, 2009	3769.02	4957.50	4198.46
- As on 31st March, 2010	6521.55	9300.20	7373.21
- Change	73.03%	87.60%	75.62%

v. Registrar & Transfer Agent :

Registered office:
TSR Darashaw Ltd.
(Formerly Tata Share Registry Ltd.)
6-10 Haji Moosa Patrawala Ind. Estate
20 Dr. E. Moses Road, Mahalaxmi
Mumbai - 400011
Telephone : 022-66568484
Fax : 022-66568494
Website : www.tsrdarashaw.com
E-mail : csg-unit@tsrdarashaw.com

And Branch Offices at :

- | | |
|---|--|
| 1. TSR Darashaw Ltd.
503, Barton Centre, 5th Floor
84, Mahatma Gandhi Road
Bangalore – 560 001
Tel. : 080-25320321
Fax : 080-25580019
E-mail : tsrdlbrang@tsrdarashaw.com | 3. TSR Darashaw Ltd.
Tata Centre, 1st Floor
43 J L Nehru Road
Kolkata – 700 071
Tel. : 033-22883087
Fax : 033-22883062
E-mail : tsrdlcal@tsrdarashaw.com |
| 2. TSR Darashaw Ltd.
Bungalow No. 1
'E' Road, Northern Town, Bistupur
Jamshedpur – 831 001
Tel. : 0657-2426616
Fax : 0657-2426937
E-mail : tsrdljsr@tsrdarashaw.com | 4. TSR Darashaw Ltd.
2/42 Sant Vihar
Ansari Road, Daryaganj
New Delhi – 110 002
Tel. : 011-23271805
Fax : 011-23271802
E-mail : tsrdldel@tsrdarashaw.com |

Agent of the Registrar
Shah Consultancy Services Limited
3, Sumathinath Complex,
Pritam Nagar, Akhada Road, Ellisbridge,
Ahmedabad 380 006
Telefax : 079-26576038
E-mail : shahconsultancy@hotmail.com

The Registrars can be contacted between 10 a.m. and 3.30 p.m. on any working day (Monday to Friday, excluding bank holidays)

Shareholders' Relation Cell:
Mr. V Madan, Vice President & Secretary
Mr.S.M.Pramod, Sr.Manager Secretarial
Tata Global Beverages Ltd.
"Kirkoskar Business Park "
2nd Floor, " Block "C"
New Air Port Road, Hebbal
Bangalore - 560 024
Tel. : 080-67171200
Fax : 080-67171201
Website : www.tatatea.com
E-mail : v.madan@tatatea.co.in
pramod.sm@tatatea.co.in

Mr. Gautam Mukherjee
Tata Global Beverages Ltd.
1, Bishop Lefroy Road
Kolkata – 700 020
Tel. : 22813709/ 3779/ 3891/ 3988
Fax : 22811199
E-mail : gautam.mukherjee@tatatea.co.in

vi. Share Transfer System

Shares in the physical form for transfer, should be lodged with the office of the Company's Registrar & Share Transfer Agent, TSR Darashaw Ltd. (formerly Tata Share Registry Ltd.), Mumbai or at their branch offices at the addresses given above or at the registered office of the Company. The transfers are processed if technically found to be in order and complete in all respects. As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialized form.

vii. Distribution of Shareholding

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2010

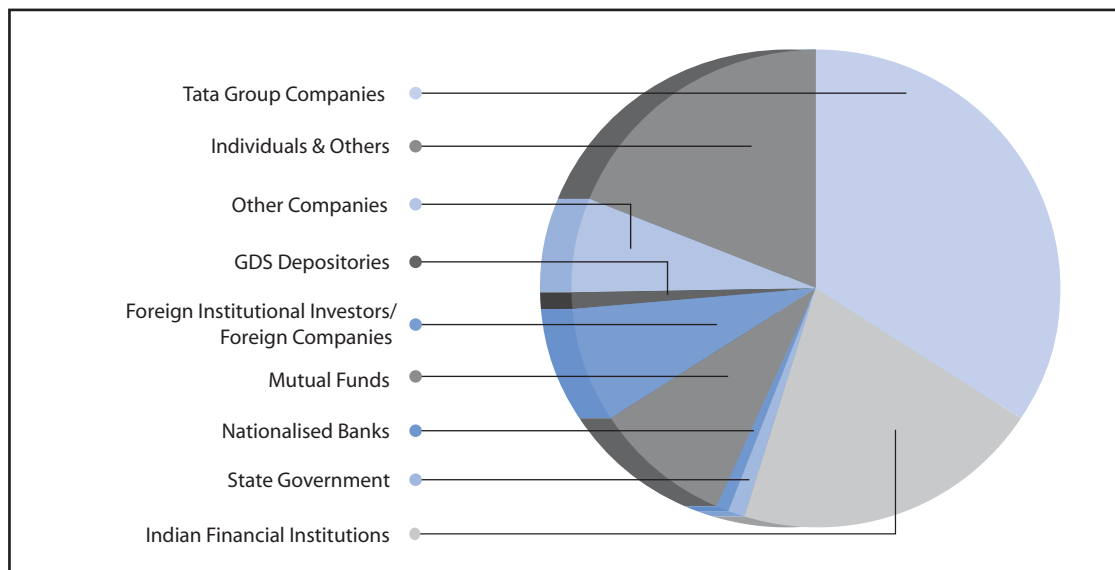
No. of Shares	Holding	Amount Rs.	% to Capital	No. of Holders	% to Total Holders
1 to 500	53,24,049	5,32,40,490	8.61	66,213	92.36
501 to 1000	21,20,903	2,12,09,030	3.43	2,988	4.17
1001 to 2000	21,83,063	2,18,30,630	3.53	1,573	2.19
2001 to 3000	9,45,642	94,56,420	1.53	388	0.54
3001 to 4000	5,37,631	53,76,310	0.87	158	0.22
4001 to 5000	3,48,196	34,81,960	0.56	76	0.10
5001 to 10000	9,37,476	93,74,760	1.52	135	0.19
Greater than 10000	4,94,42,897	49,44,28,970	79.95	162	0.23
Total	6,18,39,857	61,83,98,570	100.00	71,693	100.00

CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2010

Sl. No.	Particulars	No. of Holders	Holdings/ Shares held	% to Capital
1	Tata Group Companies	9	2,18,63,969	35.36
2	Indian Financial Institutions	32	1,30,72,299	21.14
3	State Government	1	585	0.00
4	Nationalised Banks	25	95,121	0.15
5	Mutual Funds	90	57,29,207	9.26
6	Foreign Institutional Investors / Foreign Companies	92	49,74,541	8.04
7	GDS Depositories	1	55,460	0.09
8	Other Companies	1,485	41,15,897	6.66
9	Individuals & Others	69,958	1,19,32,778	19.30
Total		71,693	6,18,39,857	100.00

The category-wise shareholding is also shown in the chart below:

Category of Shareholders



viii. **Dematerialization of Shares & liquidity**

The process of conversion of shares from physical form to electronic form is known as dematerialization. For dematerializing the shares the shareholders should open a demat account with the Depository Participant (DP). The shareholder is required to fill in a Demat Request Form and submit the same along with the original share certificates to his DP. The DP will allocate a demat request number. and shall forward the request physically and electronically through NSDL/CDSL to Registrar & Transfer Agent. On receipt of the demat request both physically and electronically and after verification, the shares are dematerialized and an electronic credit of the shares is given in the account of the shareholder.

ix. **Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity**

As on 31st March, 2010, the outstanding Global Depository Shares were 55460. The GDSs are convertible into fully paid equity shares on 1:1 basis. The underlying shares against the outstanding GDSs have been allotted in the name of the Depository. There is no ADR or convertible instrument outstanding as on 31st March, 2010.

- x. **Plant locations**
- a) Survey No 14/4, A2 & 14/5, NH 4, Bangalore Tumkur Road, Malonagathi Hally, T. Begur Post, Nelamangla Taluk, Bangalore Rural District, Karnataka - 562 123;
 - b) Periakanal Estate, PO Munnar, Dist. Idukki, Kerala - 685 612 ;
 - c) Pullivasal Estate & Packeting Centre - PO Munnar, Dist. Idukki, Kerala - 685 612;
 - d) Instant Tea Operations, Post Box No. 3, Idukki district, Munnar, Kerala - 685 612 and
 - e) Tetley (Tea Bag) Division: 73/74 KPK Menon Road; Willingdon Island, Kochi, Kerala - 682 003.
- xi. **Address for correspondence** Given against 10.v above

11. **The Investors Education and Protection Fund**

The shareholders and other stakeholders are hereby informed that pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 all dividends remaining unpaid/unclaimed for a period of seven years from the date they became due for payment will have to be transferred to the Investors Education and Protection Fund (IEPF) set up by the Central Government. Following table gives information relating to outstanding dividend accounts and the dates when due for transfer to IEPF:

Financial year ended	Date of payment of dividend	Unpaid dividend To be claimed by	Transfer to IEP Fund in
31st March, 2003	10.09.2003	September 2010	October 2010
31st March, 2004	10.09.2004	September 2011	October 2011
31st March, 2005	11.08.2005	August 2012	September 2012
31st March, 2006	11.08.2006	August 2013	September 2013
31st March, 2007	13.08.2007	August 2014	September 2014
31st March, 2008	25.08.2008	August 2015	September 2015
31st March, 2009	04.09.2009	September 2016	October 2016

Following are the details of unpaid dividend, interest on deposits and repayment of deposits which will be due for transfer to IEPF upto 31st March, 2011

Nature of payment	Date of payment	Unpaid dividend to be claimed by	Transfer to IEP Fund in
Dividend	10.09.2003	September 2010	October 2010
Interest on Fixed deposits	01.04.2003 to 31.03. 2004	7 years from respective payment dates	7 years and 1 month from respective payment dates
Fixed deposits – Principal amount & Interest on maturity	Respective maturity dates	7 years from respective maturity dates	7 years and 1 month from respective maturity dates

While the Registrar of the Company has already written to the shareholders and depositors informing them about the due dates of transfer to IEPF for these payments, attention of the stakeholders is again drawn to this matter through the Annual Report. It may please be noted that once the unpaid amounts are transferred to IEPF no claims shall lie against the Company or the IEPF in respect of any amounts which were unclaimed or unpaid.

12. Auditors' certificate on corporate governance

As required under Clause 49 of the Listing Agreement, the Auditors' certificate on Compliance with the corporate governance norms is attached.

13. Insider Trading Regulations

After the Securities and Exchange Board of India had amended the Insider Trading Regulations in November 2008, the Tata Group has suitably revised the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure practices which your Company has adopted. Mr. K. Venkataramanan, Vice-President – Finance of the Company, is the compliance officer for the purpose of these regulations.

14. Top Ten Shareholders

As on 31st March, 2010 the top ten shareholders of the Company were as follows:-

NAME OF THE SHAREHOLDER	NO. OF SHARES	PERCENTAGE OF SHAREHOLDING
Tata Sons Limited	1,40,87,207	22.78
Life Insurance Corporation of India	1,02,23,370	16.53
Tata Chemicals Limited	43,17,514	6.98
Bajaj Allianz Life Insurance Company Ltd.	29,12,008	4.71
Tata Investment Corporation Limited	27,50,000	4.45
Norges Bank A/c Government Petroleum Fund	14,27,125	2.31
National Insurance Company Ltd.	8,78,078	1.42
The New India Assurance Co. Ltd.	6,54,897	1.06
Tata Offshore India Opportunities Fund	6,09,585	0.99
Templeton Mutual Fund A/c Franklin India Blue chip Fund	5,86,360	0.95

15. Declaration by the CEO on Code of Conduct as required by Clause 49.I.(D)(ii)

This is to declare that the Company has received affirmations of compliance with the applicable Code of Conduct from the Directors and Senior Management personnel of the Company in respect of the financial year 2009-10.

For Tata Global Beverages Ltd.



(P. T. Sigamporia)
Managing Director

Auditors' Certificate on Compliance with the conditions of
Corporate Governance under Clause 49 of the Listing Agreement(s)

To the Members of Tata Global Beverages Limited

We have examined the compliance of conditions of Corporate Governance by Tata Global Beverages Limited (formerly Tata Tea Ltd.) (the Company) for the year ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement during 2009-10.

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 and on behalf of

LOVELOCK & LEWES

Firm Registration No. 301056E
Chartered Accountants

PARTHA MITRA

Partner
Membership No. 50553

Place: Kolkata

Date:

For and on behalf of

N. M. RAIJI & CO.

Firm Registration No. 108296W
Chartered Accountants

J. M. GANDHI

Partner
Membership No. 37924

Place: Mumbai

Date:

1. Change of Name

Your Company has been consistently, over a number of years, making a number of strategic moves to transform from what was predominantly a domestic tea plantation business to what is now a global branded business. Its domestic business is now only a part of its overall portfolio. Over 65% of the consolidated revenues now come from markets outside India and over 90% of the consolidated turnover is branded. In order to reflect the current nature of the Company and its vision for the future, the board of directors of your Company decided that the Company should be renamed Tata Global Beverages Limited. We will continue our journey to enhance shareholder value through a focus on "Good for you" branded beverages across the world.

2. Shareholder value

The past year has been an excellent one in terms of share performance. During this period your share price increased from Rs. 589 to Rs. 980, an increase of 66%. This compares with an increase of around 80% in the BSE Sensex market index and 39% to the BSE FMCG index.

Your Board has also decided to subdivide its shares (stock split) from the face value of Rs. 10 to Re. 1 to enable higher liquidity which will improve the returns to its shareholders over time.

3. Industry Structure and Developments

2009-10 saw the raw tea market at levels that were not seen since the early 1980s. The branded tea markets across the world were impacted by significant increases in tea costs with companies having to take price increases. Your Company was no exception and taking price increases across its brand portfolio. These price increases have had an adverse impact on volume growth. With a view to mitigate these volume pressures, your Company implemented a number of measures such as consumer activation campaigns across key SKUs, focussing on value packs and increased trade connect in select markets. These initiatives plus price increases helped your Company grow 19% in consolidated sales over the prior year.

Overall the tea and coffee markets continue to grow globally with a higher rate of growth in developing geographies.

The Company is exploring opportunities beyond the ambient tea and coffee business, with water as part of these initiatives. It is seeking to grow this part of the business with alliances and acquisitions as key elements of strategies.

The Company strengthened its distribution capability with a focused training intervention for the frontline sales personnel in India. A distributor automation system was also piloted for real time customer level sales capture. The US saw sales success through expanded alternate channel distribution. In the Operations function, a Sales and Operations Planning system (S & OP) was introduced as a formal way for Commercial regions to interact with the Supply units in a structured approach that enables focus on key performance measures.

In the water category, sales proved to be sluggish mainly due to delay in the retail launch and lower off take from institutional customers. The distribution structure was augmented with your Company taking over the Himalayan distribution operations during the year under review.

4. Consolidated Performance

Your Company has delivered an excellent performance for the year with Gross income up 19% at Rs. 5783 Crores and PBT before exceptionals up 19% at Rs. 625 Crores. The results reflect the Company's strategy to support and invest behind its brands, the strength of its core categories and capabilities in tea and coffee and the strong leadership provided by the Senior Management team. It is particularly heartening that the Company recorded an excellent performance in a year which experienced difficult economic conditions across the globe. All the key businesses recorded good performance with the US Coffee business in particular outperforming the market. The performance also includes the results of the Russian acquisition for part of the year.

The Company will continue to focus in growing its product portfolio as well as look at new markets and channels. In India the Tata Tea brand continues its leadership position in the branded tea segments and leads market share in terms of both value and volume. The Tata Tea brand was accorded "Super Brand" recognition in the country.

The previous fiscal year witnessed an unprecedented increase in the price of raw materials, coupled with volatility in exchange rates impacted percentage margins adversely. Your Company however mitigated the situation through pricing, with effective sourcing, and aggressive marketing and sales promotional activities.

The Company continued to invest behind its brands and to drive its innovation agenda, transforming the business into what will become the leading global branded “good for you” Beverage Company. These initiatives have begun to deliver improvements in the Company’s performance and as we continue to invest to yield good returns to shareholders in future years.

The consolidated financial highlights for 2009-10 are as follows:

Currency: Indian Rupees Crores	2009-10	2008-09	Variance
Net Operating Income	5783	4848	935
EBIT	619	547	72
PBT before Exceptionals	625	526	99
Exceptional Items	16	730	(714)
PBT	641	1256	(615)
PAT	393	832	(439)
Group Consolidated Net Profit	390	701	(311)

Despite the challenges of the environment and the strategic investments to integrate and transform the organisation, this year’s financial performance was strong. Operating income was up 19% at Rs 5783 Crores and Group PBT, before exceptionals was up 19% at Rs. 625 Crores. Post exceptionals, PBT fell with the one off exchange gain on cash and short term deposits included in last years results.

The environment in the new year is likely to be equally challenging but management is confident that our strong brands, capable management team and focussed investment program will allow us to deliver good returns to shareholders.

5. Standalone Financial and Operating Performance

The Company recorded improved operations during 2009-10 driven by strong performance in the branded tea segment delivered a combination of higher unit realization and volume growth. The financial highlights for the year under review were as follows:

	Rs. Crores	
	2009-10	2008-09
Total Income	1836.84	1524.64
Profit before Tax and Exceptionals	255.30	238.65
Exceptional Income* / (Expenditure)	240.13	(9.59)
Profit before Tax	495.43	229.06
Provision for Tax	103.96	70.00
Profit after Tax	391.47	159.06

*Exceptional income during the year relates to sale of shares in an associate Company, Rallis India Limited.

The Company has an excellent track record of paying dividends consistently now for several years. Further to maintaining an uninterrupted dividend record, the Company has steadily increased the dividend paid over the last few years.

6. Product/Brand Performance

a) Domestic Brands

Your Company’s key domestic brands performed very well during the year under review. Brand Tata Tea Gold performed excellently registering a 12% growth over the previous year driven by growth in value packs and a successful restage of the brand in third quarter of the year.

Tata Tea Premium brand performance was marginally lower than the previous year. Considering that the brand took price increases to cover commodity cost increases the performance of this brand was impressive. The new Jaago Re

campaign supported by ground level activity followed by a consumer promotion on the 100 gm and 250 gm packs saw the brand holding its consumer base in most markets.

Your Company restaged the flavoured tea bags with a new flavour – Tulsi & Lemon in the value added segment. The launch was supported by PR coverage in the media, liquid sampling and created visibility in key accounts, website and magazines.

T!ON, a Ready to drink beverage, has been doing very well in Tamil Nadu and was introduced in Kerala, Goa and Karnataka in the last quarter of 2009-10. A new flavour, Orange Spice, was added to the existing portfolio. Consumer acceptance has been very good with T!ON having achieved a value share of 5% of the Non-Carbonated drinks market.

b) International Operations

The International brands led by Tetley delivered a strong performance during the year under review. Challenges posed by a strong commodity environment were offset partially by price increases without compromising the value market shares in key markets. Various initiatives were pursued to broad base the product category. Strong performances were recorded in all key markets such as US, UK and Canada.

Some key performance highlights in the Regions in the year are:

- Canada – the group continues to maintain its leadership position in Canada. Liquid Infusions launched in this market during last year have reported favourable growth and additional flavours were launched during the year.
- USA – Coffee business under the Eight O’Clock coffee brand reported a strong growth backed by the brand strength and distribution gains in alternate channels.
- UK – In the UK, volume and sales growth were recorded in a difficult trading environment with strong growth in speciality categories like Redbush, Green tea etc. Tetley Redbush takes market leadership and Tetley Green Tea holds 30.5% market share.
- Europe and Middle East – Sales improved over the previous year with the move into Russia via a JV, the launch of Tetley into the Middle East and growth in Poland.

Your Company will continue to bring new and exciting brands that will appeal to modern lifestyle choices and to lead innovation in the beverage sector. Your Company will continue to focus on the development of products which are both good for the consumers who buy the product and better than competitors products for the environment.

7. The Environment

Tea constitutes 76% of the Company’s consolidated revenues with the balance from Coffee and other products. Over 65% of its business is outside of India, mainly in developed retail markets. Over 91% of the consolidated business is sale of branded products with the balance coming from plantation and extraction businesses. Some of the major trends, risks and opportunities and their impact on the Company are described below:

a) Consumers

Although the overall economy was undergoing recessionary conditions, your Company was able to successfully navigate the adverse conditions. Consumers with less money to spend ate out less but continued to spend in the grocery channels for in-house consumption. The Company will continue to innovate and improve its retail offerings to match the changing consumer and market trends. To meet its vision the Company will focus on health and wellness and convenience trends and will continue to meet consumer needs in these areas in the most sustainable manner appropriate.

b) Retailers

In response to the recession and the “down trading” of consumers, retailers have been ever more value focussed. They want suppliers to reduce margins to allow them to pass on lower prices to consumers, competing to become the “consumers champion” in these trying times. Despite the resilience of our core category, tea, the Company has

been affected by the aggressive position taken by retailers with margins under pressure. As in the past, in our core markets, the strength of our brands and our sales and marketing teams capabilities allows us to mitigate some of these pressures.

c) **Commodity Prices**

Tea and coffee prices have continued to see material rises over the year. While all efforts have been made to neutralise input cost increases, to the extent of under recovery of costs, we believe that margins will recover as commodity prices ease or retail prices rise.

2009-10 was a year of record prices for the Indian tea industry. The prices of our key blends were 15-20% higher than in the previous year driven mainly by lower crop and some increase in domestic demand. While the crop stabilized for Indian teas, the shortages persisted in other geographies across the globe especially in Sri Lanka and Africa.

The challenge in this dynamic environment was to evolve a sourcing strategy and suitably hedge between a combination of public auctions and private contracts. The strategy adopted by your Company proved successful on all counts especially in ensuring availability of critical components at competitive prices and delivery of blends to the consumer at consistent and expected quality levels.

The integration of buying and blending systems across the globe, commenced under a new project which is expected to deliver significant savings in both buying efficiency and final blend costs. The first phase of this project was completed during the year. Several new initiatives were undertaken in blend development to meet consumer aspirations and this will yield positive results as we progress into the subsequent months.

The Tetley brand has been brought under the 'Rainforest Alliance' umbrella demonstrating to the consumer the Company's commitment to the operation of an environmentally sustainable business model.

d) **Interest Rates**

While the sentiment has improved post the credit crunch, the economic recovery is expected to be prolonged especially in developed economies. Consequently the interest rates continue to be low. However there has been significant improvement in liquidity and fund availability albeit at much higher margins. As reported last year, post the sale of our Glaceau holdings your Company has cash or near cash investments, the returns on which have been lower in the prevailing interest environment. That said, our strong treasury performance has optimised the returns on these funds, whilst at the same time leaving them readily available to support our strategic growth plans.

e) **Exchange Rates**

Exchange rates, like interest rates, have moved significantly through the year with \$/rupee moving from Rs. 50.71 to Rs 44.88, £/Rupee moving from Rs. 72.51 to Rs. 68.05 and the £: \$ moving from \$1.43 to \$1.52. Our strategy is to take a cautious position with regard to hedging and ensure to cover known exposure. For our large UK business, where tea sold to consumers in £ is purchased in the market in \$, the change in £: \$ has a material impact, which has added to the adverse movement in the underlying Dollar based commodity prices. Our export oriented extraction business from India is impacted by the dollar rupee exchange rate.

The movement in exchange rates, particularly the strengthening of sterling versus dollar compared to the end of the last financial year, has resulted in partial reversal of previous year's exchange gain on cash and short term deposits. The Company has crystallised almost entirely the exchange gain on its cash and short-term deposits.

We will continuously monitor and balance the mix of investments keeping in mind our economic exposure, and strategic and operational needs.

8. **Opportunities and Threats**

The Company is focussing on expanding its product and distribution reach both within its existing core business and also new opportunities. The global beverage market offers opportunities for growth. The Company believes that its core strengths in tea and coffee coupled with its geographic coverage and focus on building new capabilities will enable it to grow profitably.

Your Company's Innovation and R & D effort focuses on developing a portfolio of new products and processes targeting 'good for you' beverage products with focus on health and nutrition.

While your Company has performed well and has significant market share in key markets it operates in a competitive global environment with increasing competition from both global and local players. In many markets with the consolidation of organised retailers there is greater concentration of purchasing and pricing power with key retailers.

New tea variants such as Redbush and Green tea are performing well and through disruptive innovation new products are being introduced. This year has seen the successful launch of Tetley Infusions into the Canadian market; the introduction of Tetley Tea4Kidz in the UK; and expansion of T!ON flavours that are being well received. In addition, the development of a new product will be launched into the UK in the summer of 2010.

New market entries have included the acquisition of Grand taking the Company into the Russian market, the launch of Tetley into the Middle East, expansion of T!ON and the Himalayan water range expanding into more cities within India.

9. Risks and Concerns

The primary concern to the branded tea business is the possibility of commodity price increases. The ability of the market to absorb the increases is also an area of concern. Tea and coffee being plantation products, supply are directly linked to the vagaries of rainfall and temperature. Any adverse change in the monsoons or changes in climatic conditions will impact the volume and prices. In the case of coffee, prices are further impacted by positions taken by investment funds.

Since the Company operates in different markets it is also exposed to currency volatility and fluctuations.

As the Company launches new products it is possible that not all of them succeed despite good efforts and product quality.

In order to grow the business beyond existing geographies and to launch new products the Company needs both to acquire and enhance distribution. It is possible that the Company may not always be able to acquire the distribution reach it desires especially in liquid beverages.

As the Company expands and forays into new geographies there is a risk of understanding the environment and implementing a successful business model.

10. Human Relations and Industrial Relations

The major agenda for Human Relations for the last financial year was to integrate the organization into a larger beverage entity. In order to drive this agenda following key steps were undertaken:

- Your Company streamlined its Performance and Reward architecture. A new form of Performance Management System known as 'Conversation', was launched, through a series of Communication Workshops at various locations, in order to make the appraisal more robust, interactive and mutually agreed. Along with this, a region-based compensation strategy was implemented which is globally integrated but, at the same time, adaptable with the local market relativities.
- Organization-wide initiatives were taken to spot the internal talents and nurture them for potential critical global roles in order to promote global mobility across regions.
- A Talent Management process was put in place by which critical roles were identified based on their complexities, impact and challenges.
- Identification of core marketing competencies of our marketing work-force in order to assess and analyze their strengths required for a world-class beverage organization and focus on their development plan.
- Launched the global intranet "the source" – a symbol of our integration into a global beverage Company, which is visible to all employees in the organization. The key features of this site include global people search, global and regional news and information on all our brands.

- Underwent detailed and delicate negotiations to support the relocation of core functions within Tata Tea Kolkata office to Bangalore.

On the Industrial Relations front, issues that were brought up were amicably settled and throughout the year, the industrial relation situation was harmonious. The total number employees on the rolls of the Company as of 31st March, 2010 were 1337. The beverage group which includes the companies' subsidiaries employs about 3,000 people.

11. Internal Controls and Governance

Your Company has adequate internal controls and robust systems in place to ensure that all its assets are fully protected. The Audit Committee of your Company review such controls periodically. The Internal audit function carry out a focussed internal audit programme in consultation with the Audit Committee. The internal audit primarily focuses on the adequacy of appropriate systems and controls. Additionally the Executive Office in UK have put in place a global reporting process and have emphasised the need for strong controls and governance. The Tata Code of Conduct has prescribed guidelines outlining the key disclosure and governance requirements besides mandating the observance of applicable statutory requirements by the Company. Your Company and its senior management have affirmed adherence to the Code.

12. Cautionary statement

Certain statements made in this Report relating to Company's objectives, projections, outlook, expectations, estimates etc. may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections etc., whether express or implied. Several factors could make a significant difference to the Company's operations. These include climatic conditions, economic conditions affecting demand and supply, Government regulations and taxation, natural calamity, currency rate changes etc. over which the Company does not have any direct control.

13. Conclusion

The year has been one of rapid change within the Group and dramatic changes in the environment. Your Company has emerged stronger, having delivered good performance, an operationally integrated business and one transformed, ready to become a truly global, consumer focused, "good for you" beverage business. We are confident we can deliver against our challenging vision and would ask you to join us on a journey that we believe will be exciting and rewarding for all stakeholders.

1. We have audited the attached Balance Sheet of Tata Tea Limited (the "Company") as at 31st March, 2010 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of The Companies Act, 1956 (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For N. M. RAIJI & Co.
Firm Registration No. 108296W
Chartered Accountants

J. M. GANDHI
Partner
Membership No. 37924

Mumbai, May 25, 2010

For LOVELOCK & LEWES
Firm Registration No. 301056E
Chartered Accountants

PARTHA MITRA
Partner
Membership No. 50553

Mumbai, May 25, 2010

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of
Tata Tea Limited on the financial statements for the year ended 31 March, 2010

1.
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
 - (c) In our opinion and according to the information and explanations given to us, substantial part of fixed assets has not been disposed of by the Company during the year.
2.
 - (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have been confirmed by them. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
3.
 - (a) The Company has granted secured/ unsecured loans, to two companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregates to Rs. 6,500 Lakhs and Rs. 5,000 Lakhs respectively.
 - (b) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
 - (c) In respect of the aforesaid loans, the parties are repaying the principal amounts as stipulated and are also regular in payment of interest, where applicable.
 - (d) In respect of the aforesaid loans, there is no overdue amount of more than Rupees One Lakh.
 - (e) The Company has not taken any loans, secured or unsecured, from companies, firms and other parties listed in the register maintained under Section 301 of the Act.
4. 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 for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5.
 - (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under Clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. There are no outstanding dues in respect of the above items, which are more than six months as at the balance sheet date.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess as at 31st March, 2010 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	18.62	2000-01	Income Tax Appellate Tribunal, Mumbai
	Income Tax	205.90	2004-05	Commissioner of Income Tax (Appeals), Kochi
Assam Agricultural Income Tax Act, 1939	Agricultural Income Tax	33.41	1998-99, 1999-00 & 2000-01	Assistant Appellate Commissioner, Guwahati
Assam Entry Tax Act, 2008	Entry Tax	93.45	2008-09	High Court of Guwahati
West Bengal Sales Tax Act, 1994	Sales Tax	1.76	1998-99 & 2000-01	Sales Tax Tribunal, West Bengal
Kerala General Sales Tax Act, 1963	Sales Tax	12.00	1998-99	Sales Tax Tribunal, Kerala
	Sales Tax	29.48	1996-97 to 2000-01	Deputy Commissioner (Appeals) of Commercial Taxes, Kerala
	Sales Tax	2.76	1994-95 to 1996-97	Assistant Commissioner (Appeals) of Commercial Taxes, Kerala
Central Sales Tax Act, 1956	Sales Tax	12.14	1998-99	Sales Tax Tribunal, Kerala
	Sales Tax	7.79	1990-00 & 2000-01	Deputy Commissioner (Appeals) of Commercial Taxes, Kerala
Karnataka Sales Tax Act, 1957	Sales Tax	441.00	1995-96 to 1996-97	Joint Commissioner of Commercial Taxes, Karnataka
	Sales Tax	128.00	1997-98	Supreme Court of India
Madhya Pradesh Entry Tax Act, 1976	Entry Tax	248.13	2003-04 & 2007-08	High Court of Madhya Pradesh
Tamilnadu General Sales Tax Act, 1959	Sales Tax	52.66	2001-02 to 2006-07	DCTO, Tamilnadu
Tamilnadu Panchayat Act, 1994	Cess on Land Revenue	4.97	2000-01 to 2002-03	High Court of Madras
Employees' State Insurance Act, 1948	ESI	1.20	2009-10	Employees Insurance Court-cum-Industrial Tribunal, Hyderabad

10. The Company has no accumulated losses as at 31st March, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.

15. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
16. During the year, the Company has not taken any new term loan. In our opinion, and according to the information and explanations given to us, the existing term loans have been applied for the purposes for which they were obtained.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For N. M. RAJI & Co.
Firm Registration No. 108296W
Chartered Accountants

J. M. GANDHI
Partner
Membership No. 37924
Mumbai, May 25, 2010

For LOVELOCK & LEWES
Firm Registration No. 301056E
Chartered Accountants

PARTHA MITRA
Partner
Membership No. 50553
Mumbai, May 25, 2010

Balance Sheet

as at 31st March, 2010

	Schedule	2010	2009	Rs. in Lakhs
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1	6183.99	6183.99	
Reserves and Surplus	2	201600.18	173747.55	
		207784.17		179931.54
Loan Funds				
Secured Loans	3	49644.50	44536.03	
Unsecured Loans	4	321.43	30964.29	
		49965.93		75500.32
Deferred Tax Liability (Net)		-		380.00
(Refer Schedule 22, Note 7)				
TOTAL		257750.10		255811.86
APPLICATIONS OF FUNDS				
Fixed Assets	5			
Gross Block		21089.46	19237.48	
Less: Depreciation		10510.11	9531.72	
Net Block		10579.35	9705.76	
Add: Capital Work-in-progress		557.02	689.84	10395.60
Investments	6	230904.92		207367.43
Deferred Tax Asset (Net)		82.03		
(Refer Schedule 22, Note 7)				
Current Assets, Loans & Advances				
Inventories	7	37813.81	29110.31	
Sundry Debtors	8	11639.09	9184.44	
Cash and Bank Balances	9	536.04	4564.95	
Other Current Assets	10	897.44	30618.78	
Loans and Advances	11	13636.62	9797.81	
		64523.00	83276.29	
Less : Current Liabilities and Provisions				
Liabilities	12	29991.85	31056.42	
Provisions	13	18904.37	14930.57	
		48896.22	45986.99	
Net Current Assets		15626.78		37289.30
Miscellaneous Expenditure to the extent not written off or adjusted	14	-		759.53
TOTAL		257750.10		255811.86
Notes on Accounts	22			
The Schedules referred to above form an integral part of Balance Sheet.				

This is the Balance Sheet referred to in our Report of even date

For **N. M. Raiji & Co.**

Firm Registration No. 108296W
Chartered Accountants

J. M. Gandhi

Partner

Membership No. 37924

Mumbai, May 25, 2010

For **Lovelock & Lewes**

Firm Registration No. 301056E
Chartered Accountants

Partha Mitra

Partner

Membership No. 50553

R.N. Tata

Chairman

R.K. Krishna Kumar

Vice Chairman

F.K. Kavarana

A.R. Gandhi

J.S. Bilimoria

V. Leeladhar

P.D. Unsworth
Directors

P.T. Siganporia

Managing Director

Ms. Sangeeta Talwar

Wholetime Director

V. Madan

Vice President &
Secretary

Profit and Loss Account

for the year ended 31st March 2010

	Schedule	2010	Rs. in Lakhs 2009
INCOME			
Sales and Services		169792.26	136152.85
Net of Excise Duty Rs. 26.04 Lakhs (Rs. 18.89 Lakhs) (Refer Schedule 22, Note 16)			
Other Income	15	1769.00	1771.78
Investment Income	16	12123.01	14539.02
		183684.27	152463.65
EXPENDITURE			
Purchases		156.91	447.93
Raw Materials Consumed	17	99382.66	78598.79
Expenses	18	54344.61	45494.08
Depreciation		1232.41	1064.92
Accretion to Stock	19	(1468.77)	(1867.20)
		153647.82	123738.52
		30036.45	28725.13
Interest (net) (Refer Schedule 22, Note 11)		(4506.02)	(4859.73)
Profit before Exceptional Items		25530.43	23865.40
Exceptional Income/(Expenditure)	20	24012.79	(959.25)
Profit before Taxation		49543.22	22906.15
Provision for Taxation	21	10396.20	7000.00
Profit after Taxation		39147.02	15906.15
Balance brought forward		15806.54	17024.83
		54953.56	32930.98
APPROPRIATIONS			
Proposed Dividend		12367.97	10821.97
Provision for Tax on Dividend (Net) (Refer Schedule 22, Note 12)		1944.70	1711.47
Transfer to Debenture Redemption Reserve		2100.00	3000.00
Transfer to General Reserve		3915.00	1591.00
		20327.67	17124.44
Balance carried forward		34625.89	15806.54
Basic & Diluted Earnings per Share (Rs.)		63.30	25.72

Nominal Value Rs. 10 each
(Refer Schedule 22, Note 13a)

Notes on Accounts

22

The Schedules referred to above form an integral part of Profit and Loss Account

This is the Profit and Loss Account referred to in our Report of even date.

For **N. M. Raiji & Co.**

Firm Registration No. 108296W
Chartered Accountants

J. M. Gandhi

Partner

Membership No. 37924

Mumbai, May 25, 2010

For **Lovelock & Lewes**

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Directors

P.T. Siganporia

Managing Director

Ms. Sangeeta Talwar

Wholetime Director

V. Madan

Vice President &
Secretary

Schedule 1**SHARE CAPITAL****Authorised**

750,00,000 Equity Shares of Rs.10 each

Issued, Subscribed and Paid-up

618,39,857 Equity Shares of Rs.10 each, fully paid-up

Of the above,

(a) 72,38,073 Shares have been allotted as fully paid pursuant to a contract without payment being received in cash

(b) 331,80,674 Shares have been allotted as fully paid Bonus Shares by capitalisation of General Reserve and Securities Premium Account

Rs. in Lakhs
2010 2009

7500.00 7500.00

6183.99 6183.99

6183.99 6183.99

Schedule 2**RESERVES AND SURPLUS**

	2009	Additions	Deductions		
Capital Reserve	8.67	-	-	8.67	8.67
Revaluation Reserve	2186.16	-	-	2186.16	2186.16
Contingency Reserve	100.00	-	-	100.00	100.00
Debenture Redemption Reserve	6025.00	2100.00	-	8125.00	6025.00
Securities Premium Account	66472.50	-	-	66472.50	66472.50
Hedging Reserve	(4091.18)	3018.28	-	(1072.90)	(4091.18)
General Reserve	87239.86	3915.00	-	91154.86	87239.86
				166974.29	157941.01
Profit and Loss Account				34625.89	15806.54
				201600.18	173747.55

	2010	Rs. in Lakhs 2009
Schedule 3		
SECURED LOANS		
3250, 9.40% Non-convertible, privately placed, Debentures of Rs. 10 Lakhs each.	32500.00	32500.00
Redeemable at par on 8.11.2010, at the end of 3 years from the date of allotment 7.11.2007		
The debentures are secured by way of a first mortgage on certain immovable properties of the Company and pledge of shares of certain Companies held as investment.		
From Banks		
Working Capital Facilities	17144.50	12036.03
Secured by way of hypothecation of raw materials, finished products, stores and spares, crop, book debts and movable assets other than plant and machinery and furniture.		
	<u>49644.50</u>	<u>44536.03</u>

Schedule 4

UNSECURED LOANS

Short Term Loans

From Banks	-	15000.00
From Others - Commercial Paper	-	15000.00
Other than Short Term		
Term Loan from Bank	<u>321.43</u>	<u>964.29</u>
	<u>321.43</u>	<u>30964.29</u>

	Rs. in Lakhs			
	Cost		Depreciation	
	As at 01.04.2009	Additions/ Adjustment	Deductions/ Adjustment	As at 31.03.2010
Schedule 5				
Fixed Assets				
TANGIBLE				
Land	144.21	-	-	144.21
Tea Estate Land/Fuel				
Area(Including Development)	554.99	-	-	554.99
Buildings	4003.23	49.39	0.19	4052.43
Bridges	0.09	-	-	0.09
Plant & Machinery	11165.76	1844.20	247.11	12762.85
Furniture,Fixtures & Office				
Equipment	2000.91	327.93	118.55	2210.29
Motor Vehicles	318.47	11.27	14.96	314.78
INTANGIBLE				
Capitalised Software	749.82	-	-	749.82
Non Compete Fee	300.00	-	-	300.00
Total	19237.48	2232.79	380.81	21089.46
Previous Year	18075.78	1478.04	316.34	19237.48
Capital Work-in-Progress (including capital advances)				
Previous Year				
				557.02
				689.84

1. Cost of Buildings include **Rs.589.84 Lakhs** (Rs.589.84 Lakhs) represented by shares in Co-operative Housing Societies/a Company.
2. (@) Includes amount of **Rs.125.69 Lakhs** (Rs.125.69 Lakhs), **Rs.61.70 Lakhs** (Rs.61.70 Lakhs), **Rs.8.01 Lakhs** (Rs.8.01 Lakhs), respectively, jointly owned/held with a subsidiary Company.
3. (+) The accumulated amortisation as at the beginning of the year for capitalised software was **Rs.519.06 Lakhs** (Rs.377.50 Lakhs) and Non-Compete Fee was **Rs.55.00 Lakhs** (Rs.25 Lakhs).
4. (+) Unexpired period of amortisation for capitalised software is 4 months for Rs.47.17 Lakhs, 48 months for Rs.33.60 Lakhs and Non-Compete fee is 86 months.

Rs. in Lakhs

	Class	Nos.	Face Value of each	2010	2009
Schedule 6					
INVESTMENTS					
Long Term Investments (Fully Paid)					
Trade					
Quoted					
Tata Chemicals Ltd. (Note 1)	Equity Shares	15385522	Rs. 10	6922.38	6922.38
Rallis India Ltd.	Equity Shares	-	Rs. 10	-	199.65
		(2938713)			
The Indian Hotels Co. Ltd.	Equity Shares	1687742	Re. 1	271.99	271.99
Tata Motors Ltd.	Equity Shares	23333	Rs. 10	46.84	46.84
Tata Motors Ltd.	"A" Ordinary Shares	3333	Rs. 10	10.17	10.17
Tata Investment Corporation Ltd.	Equity Shares	140000	Rs. 10	156.19	26.19
		(100000)			
Tata Investment Corporation Ltd.	ZCCB	-	Rs. 650	-	130.00
		(20000)			
Tata Investment Corporation Ltd. (Note 2)	Warrants	20000	-	-	-
Tata Steel Ltd. (Note 3)	Equity Shares	12021	Rs. 10	17.02	9.01
		(10686)			
Titan Industries Ltd.	Equity Shares	462403	Rs. 10	295.24	295.24
Titan Industries Ltd.	6.75% Secured Redeemable Non Convertible Debentures	28677	Rs. 250	71.69	71.69
Tata Consultancy Services Ltd. (Note 4)	Equity Shares	791200	Re. 1	2.45	2.45
		(395600)			
Tata Steel Ltd. (Note 3)	2% Cum. Compulsory Convertible Preference Shares	-	Rs. 100	-	8.01
		(8014)			
The Indian Hotels Co. Ltd.	6% Non Convertible Debentures with Detachable Warrants	140645	Rs. 100	140.65	140.65
				7934.62	8134.27
Quoted - In Subsidiary Companies:					
Tata Coffee Ltd. (Note 1) #	Equity Shares	10735982	Rs. 10	16150.65	16150.65
Tata Coffee Ltd.	7% Secured Redeemable Non-Convertible Debentures	4418051	Rs. 150	6627.08	6627.08
Mount Everest Mineral Water Ltd.	Equity Shares	13910653	Rs. 10	18460.73	17154.31
		(12235653)			
				41238.46	39932.04
# Inclusive of Rs. 2186.16 Lakhs kept in Revaluation Reserve					
Unquoted					
Tata Sons Ltd.	Equity Shares	1755	Rs. 1000	975.00	975.00
Tata Services Ltd.	Ordinary Shares	475	Rs. 1000	4.77	4.77
Tata Industries Ltd.	Equity Shares	4346294	Rs. 100	5606.17	5606.17
Estate Management Services (Pvt.) Ltd.	Ordinary Shares *	15346800	LKR 10	1106.21	1106.21
Rallis India Limited	7.5% Cum. Redeemable Preference Shares	-	Rs. 10	-	1200.00
		(12000000)			
Taj Air Ltd.	Equity Shares	4200000	Rs. 10	420.00	420.00
Kanan Devan Hills Plantations Company (Pvt.) Ltd.	Equity Shares	2500000	Rs. 10	250.00	250.00
Amalgamated Plantations Pvt. Ltd.	Equity Shares	24410000	Rs. 10	2441.00	0.50
		(4998)			

Rs. in Lakhs

	Class	Nos.	Face Value of each	2010	2009
Schedule 6					
INVESTMENTS (Continued)					
Amalgamated Plantations Pvt. Ltd. @@	0.01% Non-Cum. Redeemable Preference Shares	67000000	Rs. 10	6700.00	6700.00
Amalgamated Plantations Pvt. Ltd. (Note 5)	10% Redeemable Non-Convertible Debentures	28271000	Rs. 10	2827.10	-
Infiniti Retail Limited # #	6% Secured Redeemable Non-Convertible Debentures	10	Rs. 50000000	5000.00	-
				<u>25330.25</u>	<u>16262.65</u>

* Sale of these investments requires first offer of sale to the Venture partners.

@@Redeemable with Special redemption premium.

Redeemable with premium of 6.27 % on maturity.

Unquoted - In Subsidiary Companies :

Tata Tea Inc.	Common Stock	14000000	US\$ 1	5980.46	5980.46
Tata Tea (GB) Ltd.	Ordinary Shares	70666290	GBP 1	50070.98	50070.98
Tata Tea (GB) Capital Limited	Ordinary Shares	89606732	GBP 1	76388.70	76388.70
Consolidated Coffee Incorporated	Common Stock	199	US\$ 0.01	9248.55	9248.55
Zhejiang Tata Tea Extraction Company Ltd. @				2469.93	1095.93
Tata Tea Holdings Private Limited	Equity Shares	50000 (10000)	Rs. 10	5.00	1.00
				<u>144163.62</u>	<u>142785.62</u>

@ Amount of Investments is **RMB 385 Lakhs** (RMB 192.50 Lakhs) in the share capital of the Company

Other than Trade:

Quoted

SBI Home Finance Ltd.	Equity Shares	100000	Rs. 10	-	-
				<u>-</u>	<u>-</u>

Unquoted -In Government Securities:

W. B. Estates Acquisition Compensation Bond				0.08	0.08
				<u>0.08</u>	<u>0.08</u>

Unquoted-Others

The Annamallais Ropeways Co. Ltd.	Ordinary Shares	2092	Rs. 100	-	-
ABC Tea Workers Welfare Services	Ordinary Shares	20000	Rs. 10	2.00	2.00
Assam Hospitals Ltd.	Equity Shares	200000	Rs. 10	20.00	20.00
The Valparai Co-operative Wholesale Stores Ltd.	Ordinary Shares	350	Rs. 10	-	-
The Bengal Chamber of Commerce & Industry.	6 1/2% Debentures	7	Rs. 1000	0.07	0.07
Woodlands Hospital & Medical Res. Centre Ltd.	5% Debenture Stock	1	Rs. 95000	0.44	0.44
Woodlands Hospital & Medical Res. Centre Ltd. (Cost Rs 3)	1/2% Debentures	278	Rs. 100	-	-
Suryakiran Apartment Services Private Ltd.	Equity Shares	2146	Rs. 10	0.21	0.21
Shillong Club Ltd. (Cost Rs. 2)	5% Debentures	31	Rs. 100	-	-
Jalpaiguri Club Ltd. (Cost Re. 1)	Ordinary Shares	60	Rs. 10	-	-
Thakurbari Club Ltd. (Cost Re. 1)	Preference Shares	26	Rs. 100	-	-
GNRC Ltd.	Equity Shares	50000	Rs. 10	5.00	5.00
IFCI Venture Capital Funds Ltd.	Equity Shares	250000	Rs. 10	25.00	25.00
Ritspin Synthetics Ltd.	Equity Shares	100000	Rs. 10	-	-
TEASERVE	Equity Shares	1	Rs. 5000	0.05	0.05
(The Tamil Nadu Tea Manufacturers' Service Industrial Co-operative Society Ltd.)				<u>52.77</u>	<u>52.77</u>

				Rs. in Lakhs	
	Class	Nos.	Face Value of each	2010	2009
Schedule 6					
INVESTMENTS (Continued)					
Current Investments (Fully paid)					
Other than Trade.					
Unquoted - In units of Mutual Funds					
UTI Mutual Fund	Units of UTI Liquid Plus Fund	162636	Rs. 1000	1626.71	-
	Treasury Advantage - Institutional - Dividend Scheme				
Birla Mutual Fund	Units of Birla Sunlife Liquid Fund	4998500	Rs. 10	500.00	-
	Cash Manager - Dividend Scheme				
Birla Mutual Fund	Units of Birla Sunlife Liquid Plus Fund	19276130	Rs. 10	1928.92	-
	Saving Fund - Institutional - Dividend Scheme				
Fortis Mutual Fund	Units of Fortis Liquid Plus Fund	3524073	Rs. 10	352.52	-
	Money Plus Institutional Fund - Dividend Scheme				
IDFC Mutual Fund	Units of IDFC Liquid Plus Fund	22542589	Rs. 10	2254.60	-
	Money Manager Treasury Plan-C - Dividend Scheme				
HDFC Mutual Fund	Units of HDFC Liquid Fund	23727066	Rs. 10	2380.18	-
	Cash Management Treasury Advantage Fund - Dividend Scheme				
DSP BlackRock Mutual Fund	Units of DSP BlackRock Liquid Plus Fund	126596	Rs. 1000	1266.65	-
	Floating Rate Fund - Institutional Plan - Dividend Scheme				
Kotak Mutual Fund	Units of Kotak Liquid Plus Fund	18606883	Rs. 10	1875.54	-
	Floater Long Term - Dividend Scheme				
Kotak Mutual Fund	Units of Kotak Fixed Maturity Plan Series 4 Institutional Growth Scheme	- (2000000)	Rs. 10	-	200.00
				12185.12	200.00
				Total	207367.43
Cost of Investments					
Long Term					
Quoted (including Subsidiary Companies)				49173.08	48066.31
Unquoted (including Subsidiary Companies)				169546.72	159101.12
Unquoted Current Investment - in units of mutual fund				12185.12	200.00
Aggregate Amount				230904.92	207367.43
Market Value of Quoted Investments				122273.48	68521.66
Net Asset Value of current Investments				12185.12	219.06
Notes:					

Schedule 6**INVESTMENTS (Continued)**

1. 15385522 shares of Tata Chemicals Limited and 10735982 shares of Tata Coffee Limited are pledged against outstanding 9.40% Non-Convertible Debentures.
2. The warrants were part of Zero Coupon Convertible Bonds (ZCCB), the face value of which has already been converted into equity shares. The warrants entitle the holder, at his option, to purchase one Ordinary share at a price of Rs.400 per share during the month of April 2011.
3. During the year, 2% Cum. Compulsory Convertible Preference Shares (CCPS) of Tata Steel Ltd. were converted into equity shares in the ratio of 1:6, accordingly 1335 equity shares of Tata Steel Ltd. were allotted.
4. During the year, Tata Consultancy Services Limited issued fully paid up bonus shares in the ratio of 1:1.
5. During the year, the company subscribed to 132420200 10% Redeemable Non-Convertible Debentures of Amalgamated Plantations Pvt. Ltd. aggregating to Rs.13242.02 Lakhs, out of which 104149200 Debentures aggregating to Rs.10414.92 Lakhs have been redeemed at par within the year.
6. Current Investments bought & sold during the year: No. of Units

Birla Sunlife Cash Manager - IP	40991373
Birla Sunlife Savings Fund - Institutional DDR	27073017
IDFC Cash Fund - Plan C- Super IP - DDR	163973650
IDFC Cash Fund Institutional Plan - B - DDR	16303216
IDFC Money Manager Treasury Plan - Plan C - DDR	14049435
DSP Black Rock Floating Rate Fund - IP - DDR	50127
DSP Black Rock Cash Manager Fund - IP - DDR	174995
Principal Cash Mgmt Fund LO - IP - DDR	24510389
SBI Premier Liquid Fund - Institutional - DDR	2493310
Templeton TMA Super IP - DDR	245251
DWS Insta Cash Plus	21231198
DWS Insta Cash Super IP - DDR	86766971
DWS Ultra Short Term Fund - Institutional - DDR	11057969
Tata Floater Fund - DDR	10077053
Tata Liquid Fund - Super High Investment Plan	4908391
UTI Liquid Fund Cash Plan-Institutional-DDR	1207816
UTI Money Market Fund - IP - DDR	26308432
UTI Treasury Advantage Plan - IP - DDR	340849
Fortis Money Plus IP Fund - DDR	14845398
Fortis Overnight Fund - DDR	18295629
Prudential ICICI Liquid Fund-Institutional Plus - DDR	20683700
Prudential ICICI Liquid Fund-Super IP - DDR	32404085
ICICI Prudential Flexi Plan	11312782
HDFC Cash Management Fund-Saving Plan	82259978
HDFC Liquid Fund - Prem Plan - DDR	42156942
Kotak Liquid - IP - DDR	11040877
Kotak Mahindra Liquid Fund - Institutional Plan	90651212

	2010	Rs. in Lakhs 2009
Schedule 7		
INVENTORIES		
Stores and Spare Parts, Packing Materials	1775.03	2659.37
Raw Materials	25704.72	17585.65
Finished Goods	10334.06	8865.29
	<u>37813.81</u>	<u>29110.31</u>
Schedule 8		
SUNDRY DEBTORS		
(Unsecured)		
Debts outstanding for a period exceeding six months	589.06	557.23
Other Debts	<u>11561.22</u>	<u>9146.63</u>
	12150.28	9703.86
Less: Provision for Doubtful Debts	<u>511.19</u>	<u>519.42</u>
	<u>11639.09</u>	<u>9184.44</u>
Note:		
Debts considered good	11639.09	9184.44
Debts considered doubtful	<u>511.19</u>	<u>519.42</u>
	<u>12150.28</u>	<u>9703.86</u>
Schedule 9		
CASH AND BANK BALANCES		
Cash in hand	3.52	14.69
With Scheduled Banks on :		
Current Account	532.52	550.26
Fixed Deposits	- <u>532.52</u>	4000.00 <u>4550.26</u>
	<u>536.04</u>	<u>4564.95</u>
Schedule 10		
OTHER CURRENT ASSETS		
Interest Accrued	837.44	753.76
Receivable from Amalgamated Plantations Pvt. Ltd.*	<u>60.00</u>	<u>29865.02</u>
	<u>897.44</u>	<u>30618.78</u>

Interest accrued includes - Interest pertaining to Subsidiaries - **Rs. 118.20 Lakhs** (Rs.118.20 Lakhs).

* Due from Private Limited Company in which a Director is a Director and Member **Rs.Nil** (Rs.29865.02 Lakhs).

	2010		2009	Rs. in Lakhs
Schedule 11				
LOANS AND ADVANCES				
(Unsecured and considered good unless otherwise stated)				
Loans (Secured)	3400.00		3500.00	
Advances recoverable in cash or in kind or for value to be received				
Considered good	8401.62		3925.74	
Considered doubtful	55.18		67.80	
	<u>11856.80</u>		<u>7493.54</u>	
Less: Provision for doubtful advances	55.18	11801.62	67.80	7425.74
Deposits				
Considered good	1834.14		2371.13	
Considered doubtful	29.07		23.30	
	<u>1863.21</u>		<u>2394.43</u>	
Less: Provision for doubtful deposits	29.07	1834.14	23.30	2371.13
Balances with Excise Authorities, Port Trust etc.		0.86		0.94
	<u>13636.62</u>		<u>9797.81</u>	

Advances include

- a) Due from Subsidiary Companies - **Rs. 482.58 Lakhs** (Rs. 51.57 Lakhs).
b) Due from an Officer - **Rs. Nil** (Rs. 0.20 Lakhs) and maximum amount due during the year **Rs.0.20 Lakhs** (Rs.0.80 Lakhs).
c) Inter Corporate Deposits **Rs.5000 Lakhs** (Rs.NIL).

Deposits include

Rs. 532.96 Lakhs (Rs.1175.82 Lakhs) deposited with NABARD in the Tea Development Account under Section 33AB of the Income-tax Act, 1961.

Schedule 12**LIABILITIES**

Sundry Creditors				
- Total outstanding dues to micro and small enterprises (Refer Schedule 22, Note 5)	55.48		5.17	
- Total outstanding dues of creditors other than micro and small enterprises	<u>27322.50</u>	<u>27377.98</u>	<u>28418.44</u>	28423.61
Interest accrued but not due		1335.46		1922.59
Other Liabilities		<u>1278.41</u>		710.22
		<u>29991.85</u>		<u>31056.42</u>

Sundry Creditors include

Due to Subsidiary Companies - **Rs. 357.26 Lakhs** (Rs.226.49 Lakhs).

There are no amounts due and outstanding to be credited to Investors Education and Protection Fund.

	2010	Rs. in Lakhs 2009
Schedule 13		
PROVISIONS		
Taxation less advance payments of Rs.87669.36 Lakhs (Rs.79023.95 Lakhs)	4482.23	2269.41
Proposed Dividend	12367.97	10821.97
Tax on Dividend	2054.17	1839.19
	<u>18904.37</u>	<u>14930.57</u>
Schedule 14		
MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED		
Employee Separation Schemes		
Opening Balance	759.53	1637.57
Less: Amortised during the year	759.53	878.04
Closing Balance	<u>-</u>	<u>759.53</u>

Schedules

forming part of the Profit and Loss Account

	2010	2009
Schedule 15		
OTHER INCOME		
Miscellaneous Receipts	716.28	708.18
Liabilities no longer required written back	365.01	1023.19
Management Service Fees	643.35	-
Rent Received	44.36	40.41
	<u>1769.00</u>	<u>1771.78</u>

Schedule 16

INVESTMENT INCOME

Income from Long term Investments (Gross)

Trade *		
Interest	1025.68	12.31
Dividend	2563.28	2350.16
Subsidiary Companies **		
Interest	463.90	463.90
Dividend	7551.17	10735.13
Others		
Interest	-	288.14
Dividend	2.20	1.80
	<u>11606.23</u>	<u>13851.44</u>
Dividend from Current Investments	493.77	509.53
Profit on sale of Current investments (net)	23.01	178.05
	<u>12123.01</u>	<u>14539.02</u>

* Tax deducted at source - Rs. 102.34 Lakhs (Rs. 6.61 Lakhs).

** Tax deducted at source - Rs. 431.01 Lakhs (Rs. 145.70 Lakhs).

	2010	2009
Schedule 17		
RAW MATERIALS CONSUMED		
Opening Stock	17585.65	10642.46
Add: Purchases	107501.73	85541.98
	<u>125087.38</u>	<u>96184.44</u>
Less: Closing Stock	25704.72	17585.65
	<u>99382.66</u>	<u>78598.79</u>

	2010	Rs. in Lakhs 2009
Schedule 18		
EXPENSES		
Salaries, Wages and Bonus *	6968.22	6063.23
Contribution to Provident Fund and other Funds	841.67	1605.00
Workmen and Staff Welfare Expenses	1235.08	1114.42
Cultivation, Plucking, Manufacturing and Contract Packing Expenses **	2853.74	2389.15
Consumption of Packing Materials	9860.24	8997.72
Consumption of Stores and Spare Parts	641.26	478.44
Power and Fuel (net of recovery)	1702.01	1586.17
Repairs to Plant and Machinery	229.10	249.72
Repairs to Buildings	491.34	412.64
General Repairs	163.26	127.77
Rent	1210.22	1162.35
Rates and Taxes	736.37	368.06
Advertisement and Sale Charges	12757.30	9095.46
Commission on Sales	1163.10	1089.48
Brokerage and Discount	3.70	3.12
Freight	3467.57	3210.19
Insurance	366.83	321.17
Miscellaneous Expenses	9340.61	7134.46
Audit Fees	27.00	27.00
Provision for Doubtful Debts and Advances	5.77	14.43
Loss on Sale / Discard of Fixed Assets (net)	262.98	32.14
Debts and Advances written off ***	17.24	11.96
	54344.61	45494.08

* Includes net credit **Rs.345.27 Lakhs** (Rs. 201.88 Lakhs) relating to earlier years.

** Includes Contract Packing Expenses **Rs. 2345.77 Lakhs** (Rs. 1932.10 Lakhs).

*** Net of provision for debts and advances written back **Rs. 20.85 Lakhs** (Rs.0.97 Lakhs).

Schedules

forming part of the Profit and Loss Account

Rs. in Lakhs

	2010	2009
Schedule 19		
ACCRETION TO STOCK		
Stock as at 1st April		
Tea	8825.72	6960.96
Others	39.57	37.13
	8865.29	6998.09
Stock as at 31st March		
Tea	10289.26	8825.72
Others	44.80	39.57
	10334.06	8865.29
	(1468.77)	(1867.20)

Schedule 20

EXCEPTIONAL INCOME/(EXPENDITURE)

Income

Profit on sale of Long Term Trade Investments	24772.32	513.72
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Expenditure

Expenses on new business initiatives	-	(594.93)
Amortisation of expenditure on Employee Separation Schemes	(759.53)	(878.04)
	(759.53)	(1472.97)
	24012.79	(959.25)

Schedule 21

PROVISION FOR TAXATION

Income Tax *	10843.23	7187.65
Fringe Benefit Tax	-	200.00
Wealth Tax	15.00	15.00
Deferred Taxation	(462.03)	(402.65)
	10396.20	7000.00

* net of reversal of provision relating to earlier year Rs.166 Lakhs (Rs.Nil)

Schedule 22

1. Significant Accounting Policies:

(a) Accounting Convention

The financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards, notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in accordance with the historical cost convention.

(b) Fixed Assets and Depreciation

Fixed Assets are carried at cost of acquisition less depreciation. Impairment loss, if any, ascertained as per the Accounting Standard of the Companies (Accounting Standards) Rules, 2006 is recognised. The cost of extension planting of cultivable land including cost of development is capitalised.

Assets acquired on hire purchase, for which ownership will vest at a future date, are capitalised at cash cost. Depreciation on fixed assets including assets created on lands under lease is provided on straight-line method in accordance with Schedule XIV to the Companies Act, 1956. Renewal of land leases is assumed, consistent with past practice. Expenditure on software and related implementation costs are capitalized where it is expected to provide enduring economic benefits and are amortised on a straight-line basis over a period of five years.

Subsidies receivable from government in respect of fixed assets are deducted from the cost of respective assets as and when they accrue.

Non-compete fees paid on acquisition of business is being amortised on straight-line basis over a period of 10 years.

(c) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised. The other costs are charged to the profit and loss account. Discount on Commercial Paper is amortised on straight line basis over its tenure.

(d) Investments

Investments of a long-term nature are stated at cost, less adjustment for any diminution, other than temporary, in the value thereof. Current investments are stated at lower of cost and market value.

(e) Inventories

Inventories are stated at cost or net realisable value, whichever is lower. Cost is determined on weighted average method for all categories of inventories other than for auction bought teas in which case cost is considered as actual cost for each lot. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity. Provision is made for obsolete, slow-moving and defective stocks, where necessary.

(f) Foreign Currency Transactions

Transactions in foreign currencies relating to exports are recorded at average fortnightly spot rates. Other transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. The exchange difference resulting from settled transactions is adjusted in the profit and loss account. Year end balances of monetary items are restated at the year end exchange rates and the resultant net gain or loss is adjusted in the profit and loss account.

(g) Sales and Services

(i) Sales are recognised on passing of property in goods i.e. delivery as per terms of sale or on completion of auction in case of auction sale.

(ii) Fees and income from services are accounted as per terms of relevant arrangements.

(h) Other Income

Export incentives, interest income and income from investments are accounted on accrual basis.

(i) Replanting/Rejuvenation

Cost of replanting/ rejuvenating tea bushes/ fuel trees is charged to Revenue. Related Tea Board subsidies are accrued as Other Income on obtaining approval from Tea Board.

(j) Compensation of Land

Compensation, if any, in respect of land surrendered/vested in Governments under various State Land Legislations is accounted for as and when received.

Schedule 22 (Continued)**(k) Employee Benefits****(i) Post retirement employee benefits:**

Post retirement benefits like Provident Fund and Defined Contribution Superannuation schemes, in the nature of defined contribution plans, are maintained by the Company. Contributions required are recognised in the profit and loss account on an accrual basis and funded with recognised funds set up for the purpose. For certain Provident Fund Schemes, the interest rates are assured and the deficit is borne by the Company.

Defined Benefit plans like Gratuity and Superannuation schemes are also maintained by the Company. Post retirement medical benefits are provided by the Company for certain categories of employees. Liabilities under the defined benefit schemes are determined through independent actuarial valuation at year end and charge recognised in the books. For schemes, where recognised funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed. Actuarial gains and losses are recognised in the profit and loss account.

The Company recognizes in the profit and loss account, gains or losses on settlement of a defined benefit plan as and when the settlement occurs.

(ii) Other Employee Benefits:

Other employee benefits are accounted for on accrual basis. Liabilities for Compensated absences are determined based on independent actuarial valuation at year end and charge recognised in the profit and loss account. Short-term Employee Benefits are recognised on an undiscounted basis whereas Long Term Employee Benefits are recognised on a discounted basis.

(l) Miscellaneous Expenditure to the extent not written off or adjusted

Payments to employees who have opted for the Employee Separation Schemes (ESS) of the Company along with additional liabilities towards retirement benefits arising pursuant to the ESS are being amortised over a period of sixty months but not later than 1st April 2010.

(m) Research and Development

Research and Development expenditure of revenue nature is charged to revenue and capital expenditure is treated as fixed assets.

(n) Deferred Taxation

Deferred tax is recognised using the liability method, on all timing differences to the extent that it is probable that a liability or asset will crystallise. As at the balance sheet date, unless there is evidence to the contrary, deferred tax assets pertaining to business loss are only recognised to the extent that there are deferred tax liabilities offsetting them.

(o) Financial Instruments

Premium or discount on forward contracts where there are underlying assets/liabilities are amortised over the life of the contract. Such foreign exchange forward contracts are revalued at the balance sheet date and the exchange difference between the spot rate at the date of the contract and spot rate on the balance sheet date is recognised as gain/loss in the profit and loss account.

The Company also uses foreign currency forward contracts and options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable transactions. The Company designates these hedging instruments as cash flow hedges.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Gain or loss on account of change in the fair value of hedging instruments in respect of effective portion of cash flow hedges are recognised in the hedging reserve account. On occurrence of the underlying transactions the accumulated balance is transferred from hedging reserve and recognised in the profit and loss account. The portion of the gain or loss on the hedging instruments if determined to be an ineffective cash flow hedge is recognised in the profit and loss account. Fair value hedges are marked to market on balance sheet date and gain or loss recognised in the profit and loss account.

(p) Leases

Rental in respect of operating leases are charged off to profit and loss account.

2. Bills discounted and remaining unpaid as at 31st March, 2010 aggregated **Rs.Nil** (Rs. 133.61 Lakhs).
3. Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2010 aggregated **Rs.579.24 Lakhs** (Rs. 998 Lakhs).

Schedule 22 (Continued)

4. Contingent Liabilities not provided for in respect of:

(a) Claims under adjudication not acknowledged as debts:

	Gross Rs. in Lakhs	Net of Estimated Tax Rs. in Lakhs
(i) Taxes, Statutory Duties/ Levies etc.	362.10 (493.10)	208.40 (293.60)
(ii) Commercial and other Claims	157.45 (208.52)	93.08 (133.71)
(iii) Income-tax/Agricultural Income-tax	20.62 (840.47)	20.62 (840.47)

(b) Labour disputes under adjudication relating to some staff – amount not ascertainable.

(c) Counter Guarantee given on behalf of an Associate Company **Rs.34.94 Lakhs** (Rs.52.69 Lakhs).

(d) Guarantee given in connection with acquisition of a subsidiary **Rs.Nil** (Rs.300 Lakhs); Guarantee given to the lender of a subsidiary **Rs.5990.57 Lakhs** (Rs. Nil), which is fully covered by a counter guarantee given by another subsidiary.

5. Micro enterprises and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the confirmations received in response to intimation in this regard sent by the Company to the suppliers. No interest in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 or otherwise has either been paid or payable or accrued and remaining unpaid as at 31st March, 2010.

6. (a) The Company had entered into a put option agreement with International Finance Corporation (IFC) in relation to their investment in Amalgamated Plantations Private Limited (APPL). In terms of the said agreement, IFC has the right to exercise a put option whereby the Company is obliged to purchase a maximum of 30 million shares in APPL, if certain conditions or events stipulated in the said agreement do not occur.

(b) The Company had entered into a put option agreement with two erstwhile promoters of Mount Everest Mineral Water Limited (MEMW) in relation to their investments in MEMW. In terms of the said agreement, the two erstwhile promoters have the right to exercise a put option whereby the company is obliged to purchase a maximum of 3.11 million shares in MEMW, if certain conditions or events stipulated in the said agreement do not occur.

7. The major components of the Deferred Tax Assets/Liabilities, based on the tax effect of the timing differences, as at 31st March, 2010, are as under:

	2010	Rs. in Lakhs 2009
Deferred Tax Liability		
Depreciation	1922.22	2172.00
Other Liability	-	265.00
	1922.22	2437.00
Deferred Tax Asset		
Provision for doubtful debts/advances	197.79	209.00
Other Assets	488.66	483.00
Employee Benefits	1295.44	1179.00
Carry forward agricultural income-tax loss*	22.36	186.00
	2004.25	2057.00
Deferred Tax (Asset)/Liability-Net	(82.03)	380.00

* to the extent of offsetting deferred tax liabilities.

Schedule 22 (Continued)

	Rs. in Lakhs	
	2010	2009
8. Expenditure debited to the Profit and Loss Account includes in the aggregate :		
Staff Cost		
Salaries, Wages and Bonus (Refer Schedule 18)	6968.22	6063.23
Contribution to Provident Fund and other Funds (Refer Schedule 18)	841.67	1605.00
Workmen and Staff Welfare (Refer Schedule 18)	1235.08	1114.42
Salaries and wages debited to other expenditure heads	458.48	392.65
	<u>9503.45</u>	<u>9175.30</u>
Stores, Spare Parts and Packing Materials consumed- Gross	10831.82	9777.19
9. Expenditure incurred in respect of the Company's Research and Development		
Capital Expenditure	64.45	57.78
Revenue Expenditure	383.10	329.85
	<u>447.55</u>	<u>387.63</u>
10.a) Miscellaneous Expenses Includes:		
Payment to Auditors (as Auditor):		
Tax Audit	7.00	7.00
Other Services	41.80	41.65
Reimbursement of Expenses	15.01	19.39
Exchange Loss (Net)	647.97	1609.68
Management Service Fees	2185.83	-
Contribution to Electoral Trust	100.00	-
b) Miscellaneous Receipts include :		
Export Incentives	-	45.00
Tea Board and other subsidies	57.23	77.73
c) The Company's leasing arrangements are in respect of operating leases for premises (residential, office, godown, etc.) and motor cars. These leasing arrangements which are cancellable ranges between 5 months to 5 years and are usually renewable on mutually agreeable terms. The aggregate lease rentals payable in respect of premises are charged as Rent and in respect of motor cars amounting to Rs.215.59 Lakhs (Rs.193.34 Lakhs) are charged under Miscellaneous expenses under Schedule 18 of profit and loss account.		
11. Interest (net) comprises:		
Interest charged on :-		
Fixed loans	1068.35	3897.99
Debentures	3055.00	3055.00
Discount on commercial paper	1175.92	783.68
Other Loans	335.13	426.06
	<u>5634.40</u>	<u>8162.73</u>
Less: Interest received (Gross) on :		
Advances (Tax deducted at source Rs.109.26 Lakhs (Rs. 138.63 Lakhs))	790.03	611.80
Deposits (Tax deducted at Source Rs.8.44 Lakhs (Rs.62.17 Lakhs))	72.80	277.00
Other current assets (Tax deducted at source Rs.14.83 Lakhs (Rs.544.98 Lakhs))	148.35	2405.03
Others	117.20	9.17
	<u>1128.38</u>	<u>3303.00</u>
	<u>4506.02</u>	<u>4859.73</u>

Schedule 22 (Continued)

12. Provision for tax on dividend is net of **Rs. 109.47 Lakhs** (Rs. 127.72 Lakhs) relating to previous year.
13. a) Basic and Diluted Earnings Per Share have been computed with reference to Profit after tax of **Rs.39147.02 Lakhs** (Rs.15906.15 Lakhs) and weighted average equity shares outstanding (nominal value Rs 10) during the year aggregating to **618.40 Lakhs shares** (618.40 Lakhs shares).
- b) The Board of Directors has approved sub-division of the equity shares of the Company from Rs.10 per share to Re. 1 per share subject to approval of shareholders and other concerned authorities. Approval of the Shareholders is being sought through Postal Ballot for which notices have already been dispatched.

14. Licensed and installed capacity and actual production

	Licensed Capacity	Installed Capacity		Actual Saleable Production
i. Tea*	Not Applicable	Not Ascertainable	Kgs. in Lakhs	849.14 840.36
				Excluding free issues to labour and samples
				1.51 0.46
ii. Others**			In various units	18.85 2.62
				Excluding sample
				Nil 0.38

* includes production through contract packers **698.15 Lakhs Kgs** (626.47 Lakhs Kgs)

** includes production through contract packers **18.57 Lakhs Kgs** (2.45 Lakhs Kgs)

15. Opening and Closing Stock of Goods

		Opening Stock	Closing Stock
Tea	Kgs. in Lakhs	79.79 80.58*	
		(80.70)	(79.79)
Others	In various units	1.03 1.88	
		(0.50)	(1.03)

* After adjustment of handling gain (net) of 0.28 Lakhs kgs (handling loss (net) of 0.22 Lakhs kgs)

16. Purchases and Sales of Goods and Services rendered

	Purchase of Finished Goods for Resale		Sales & Services	
	Quantity	Value	Quantity	Value
	Kgs. in Lakhs	Rs. in Lakhs	Kgs. in Lakhs	Rs. in Lakhs
Tea	1.81	156.91	850.44	168682.02
	(4.42)	(447.93)	(845.47)	(135789.61)
Others			various items	941.66
				(251.11)
Services Rendered				194.62
				(131.02)
				169818.3
				(136171.74)
Less: Excise Duty				26.04
				(18.89)
		156.91		169792.26
		(447.93)		(136152.85)

Schedule 22 (Continued)**17. Details of Raw Materials Consumed**

	Quantity Kgs in Lakhs	Value Rs in Lakhs
Tea	842.31	96118.60
	(821.94)	(75981.15)
Green Leaf (Own Estates)*	84.94	-
	(75.61)	-
(Purchases)	101.41	2032.53
	(93.92)	(1497.41)
Others		1231.53
		(1120.23)
		99382.66
		(78598.79)

* Excludes Cost of Green Leaf produced in the Company's own estates and consumed during the year is **Rs. 766.92 Lakhs** (Rs. 689.13 Lakhs) which has been included under various head of expenses.

18. Value of Raw Materials, Stores and Spare Parts and Packing Materials consumed

	Raw Materials		Stores, Spare Parts & Packing Materials	
	Value Rs. in Lakhs	% of total consumption	Value Rs. in Lakhs	% of total consumption
Imported	3456.39	3.48	1968.11	18.17
	(2810.73)	(3.58)	(1688.52)	(17.27)
Indigenous	95926.27	96.52	8863.71	81.83
	(75788.06)	(96.42)	(8088.67)	(82.73)
	99382.66	100.00	10831.82	100.00
	(78598.79)	(100.00)	(9777.19)	(100.00)

* Excludes cost of Green Leaf produced in the Company's own estates and consumed during the year **Rs.766.92 Lakhs** (Rs. 689.13 Lakhs) which has been included under various head of expenses.

19. Earnings in Foreign Exchange

	Rs. in Lakhs	
	2010	2009
Value of Exports at F.O.B.	15558.84	13673.07
Technical Service Fees - Gross*	93.55	94.36
Dividends - Gross**	6955.21	10049.69
Management Service Fees	642.83	-
Others (Freight, Insurance etc.)	821.89	715.13
	24072.32	24532.25

* Tax deducted at source - **Rs.9.16 Lakhs** (Rs. 9.79 Lakhs)

** Tax deducted at source - **Rs.431.01 Lakhs** (Rs. 152.31 Lakhs)

Schedule 22 (Continued)

		Rs. in Lakhs
	2010	2009
20. Expenditure in Foreign Currency		
Selling Expenses	320.38	323.44
Foreign Travel	99.88	95.26
Professional Fees	65.96	257.32
Management Service Fees	1717.12	-
Other Expenses	311.53	274.40
21. Dividend remitted in foreign currency		
No of share holders	1	1
No of shares held in Lakhs	0.17	0.18
Dividend remitted	2.95	6.16
Year	2008-09	2007-08
22. Value of Imports on C.I.F. basis		Rs. in Lakhs
Raw Materials	3548.87	3055.89
Stores, Spare Parts & Packing Materials	1640.10	1989.98
Capital Goods	1023.78	73.67

Schedule 22 (Continued)

Rs. in Lakhs

	2010	2009
23. Computation of Profit in accordance with Section 198 of the Companies Act, 1956		
Profit for the year before taxation as per Profit and Loss Account	49543.22	22906.15
Add:		
Directors' Remuneration	506.22	467.90
Provision for doubtful debts/advances	5.77	14.43
Depreciation	1232.41	1064.92
Amortisation of payments under Employees Separation Scheme	759.53	878.04
	<u>2503.93</u>	<u>2425.29</u>
	52047.15	25331.44
Less:		
Provision for Doubtful debts written back	20.85	0.97
Depreciation u/s 350 of the Companies Act, 1956	1052.45	893.36
Amortisation of Intangibles	179.96	171.56
Profit on sale of Investments(net)	<u>24795.33</u>	<u>691.77</u>
	<u>26048.59</u>	<u>1757.66</u>
Net Profit	<u>25998.56</u>	<u>23573.78</u>
Commission to Directors		
(i) Whole-time Director	95.00	90.00
(ii) All other Directors *	<u>225.00</u>	<u>160.00</u>
	<u>320.00</u>	<u>250.00</u>
* within a limit of 1% of the net profit		
Directors' Remuneration		
(i) Managing Director / Whole-time Director		
Salary	79.52	76.30
Commission - current Year	95.00	90.00
Excess provision for earlier year written back	(5.00)	(25.00)
Expenditure on Gratuity and Superannuation schemes	18.55	17.81
Estimated value of other benefits	<u>54.95</u>	<u>123.44</u>
	243.02	282.55
(ii) Others Directors - Commission	225.00	160.00
Sitting Fees	18.30	15.35
Short provision for earlier year	<u>19.90</u>	<u>10.00</u>
	<u>263.20</u>	<u>185.35</u>
	<u>506.22</u>	<u>467.90</u>
(iii) Commission for 2008-09 from two subsidiaries to certain Directors - Rs. 8.54 Lakhs (Rs. 28.82 Lakhs). Remuneration to Managing Director from a subsidiary - Salary Rs.320.87 Lakhs (Rs.34.28 Lakhs) and other benefits Rs.43.42 Lakhs (Rs.Nil).		
(iv) The above does not include share of recurring retirement benefits payable to former Managing Director.		

Schedule 22 (Continued)

24. a) Related Party Disclosure

Related Parties

Promoter

Tata Sons Ltd.

Subsidiaries

Tata Tea GB Ltd.

Tetley Group Holdings Ltd.
The Tetley Group Ltd., UK
Tetley GB Ltd.
Tetley Overseas Holdings Ltd.
Tetley Overseas Ltd.
Lyons Tetley Ltd.
Tetley US Holdings Inc.
Tetley USA Inc.
Tetley Canada Inc.
Tetley Australia Pty Ltd.
Stansand Ltd.
Stansand(Brokers) Ltd.
Stansand (Africa) Ltd.
Stansand (Central Africa) Ltd.
Tetley Polska sp. zo.o.
Drassington Limited, UK
Good Earth Corporation
Good Earth Teas Inc. (formerly Fmali Herb Inc.)
Teapigs Ltd.
Jemca a.s.
Tata Tea (GB) Investments Ltd.
Campestres Holdings Limited
Kahutara Holdings Limited
Suntycy Holding Ltd.
Onomento Co Ltd.
OOO Tea Trade LLC
OOO Sunty LLC

Subsidiaries

Tata Coffee Ltd.
Consolidated Coffee Inc.
Eight 'O Clock Coffee Company
Alliance Coffee Ltd.
Tata Tea Inc.
Tata Tea (GB) Capital Ltd.
Mount Everest Mineral Water Limited
Zhejiang Tata Tea Extraction Company Limited
Tata Tea Holdings Private Limited

Associates

Rallis India Ltd. (upto 19.08.2009)
Rallis Australasia Pty. Ltd. (upto 19.08.2009)
Estate Management Services Pvt. Ltd, Sri Lanka
Watawala Plantations Ltd, Sri Lanka
Amalgamated Plantations Pvt. Ltd.

Joint Venture of Subsidiaries

Tetley ACI (Bangladesh) Ltd.
Southern Tea LLC
Empirical Group LLC
Tetley Clover (Private) Ltd.
Joekels Tea Packers (Proprietary) Ltd. (South Africa)
Tata Coffee (Uganda) Ltd.

Key Management Personnel

Mr. P.T. Sigamporia - Managing Director
Ms. Sangeeta Talwar - Executive Director

Schedule 22 (Continued)

Particulars of transactions during the year ended 31st March, 2010

Nature of Transactions	Subsidiaries	Associates/ Joint Ventures	Promoter	Key Management Personnel	Rs. in Lakhs Total
Sale of Goods & Services	13886.02	138.47	-	-	14024.49
	(12009.00)	-	-	-	(12009.00)
Other Income	643.34	-	-	-	643.34
	-	-	-	-	-
Rent Paid	-	-	21.96	-	21.96
	-	-	(25.22)	-	(25.22)
Purchase of Goods & Services	3256.70	21846.42	-	-	25103.12
	(929.35)	(19346.71)	-	-	(20276.06)
Other Expenses (Net)	-	692.08	473.74	-	1165.82
	-	(732.56)	(394.49)	-	(1127.05)
Purchase of Fixed Assets	320.94	-	-	-	320.94
	-	-	-	-	-
Reimbursement of Expenditure	612.27	-	-	-	612.27
	-	-	-	-	-
Dividend/Interest received	8015.07	1940.92	122.85	-	10078.84
	(11200.16)	(3031.29)	(122.85)	-	(14354.30)
Dividend Paid	34.69	-	2465.26	0.13	2500.08
	(69.39)	-	(4930.52)	(0.27)	(5000.18)
Investments Redeemed	-	10414.92	-	-	10414.92
	-	-	-	-	-
Deposits Given	-	-	144.00	-	144.00
	-	-	(250.00)	-	(250.00)
Investments Made	1378.00	15682.02	-	0.25	17060.27
	(1.00)	(6700.00)	-	-	(6701.00)
Directors Remuneration	-	-	-	243.02	243.02
	-	-	-	(282.55)	(282.55)
Outstanding at the year end :					
Debit	5418.05	90.57	-	-	-
	(3981.25)	(29865.75)	-	-	-
Credit	354.10	1328.14	73.42	95.00	-
	(226.49)	(1313.97)	(2.41)	(90.00)	-

Schedule 22 (Continued)

24. b) Disclosures in respect of transactions in excess of 10% of the total related party transactions of the same type

			Rs. in Lakhs	
			2010	2009
1.	Sale of Goods and Services	Tata Tea (GB) Ltd.	1237.68	1222.83
		Tetley Australia Pty Ltd.	4771.16	4695.07
		Tetley Polska sp. zo.o. Poland	2111.49	1357.16
		Tata Tea Inc.	4938.88	4271.59
2.	Other Income	Tata Tea (GB) Ltd.	570.26	-
3.	Purchase of Goods & Services	Amalgamated Plantations Pvt. Ltd.	21666.07	19312.37
4.	Rent Paid	Tata Sons Ltd.	21.96	25.22
5.	Other Expenses (Net)	Tata Sons Ltd.	473.74	394.49
		Amalgamated Plantations Pvt. Ltd.	692.08	732.56
6.	Purchase of Fixed Assets	Tata Tea (GB) Ltd.	320.94	-
7.	Reimbursement of Expenditure	Mount Everest Mineral Water Limited	612.27	-
8.	Dividend and Interest Received	Tata Tea (GB) Ltd.	1773.73	3984.93
		Tata Tea (GB) Capital Ltd.	2249.12	5042.02
		Tata Coffee Ltd.	1108.06	1215.42
		Consolidated Coffee Inc.	2415.78	957.79
		Amalgamated Plantations Pvt. Ltd.	1301.95	2405.03
9.	Dividend Paid	Tata Sons Ltd.	2465.26	4930.52
10.	Deposits Given	Tata Sons Ltd.	144.00	250.00
11.	Investments Sold	Amalgamated Plantations Pvt. Ltd.	10414.92	-
12.	Investments Made	Amalgamated Plantations Pvt. Ltd.	15682.02	6700.00

25. The Company has only one reportable primary segment i.e. tea. It has identified Geographical segment as the secondary segment, Disclosure is given herewith

Rs. in Lakhs

By Geographical Segments

	India	Outside India	Total
Sales Revenue	153318.00	16474.26	169792.26
	(121670.29)	(14482.56)	(136152.85)
Segment Assets	60658.76	5170.21	65828.97
	(54930.02)	(4206.62)	(59136.64)
Purchase of Fixed Assets	2232.79	-	2232.79
	(1477.01)	(1.03)	(1478.04)

Geographical Segments:

Segmentation of revenue is on the basis of geographical location of the customers.

Segmentation of assets is on the basis of geographical location of the assets.

Schedule 22 (Continued)**26. Post Retirement Employee Benefits :**

The Company operates defined contribution schemes like provident fund and defined contribution superannuation schemes. For these schemes, contributions are made by the Company, based on current salaries, to recognized funds maintained by the Company and for certain categories contributions are made to State Plans. In case of Provident fund schemes, contributions are also made by the employees. An amount of **Rs. 648.91 Lakhs** (Rs. 523.39 Lakhs) has been charged to the Profit & Loss Account on account of defined contribution schemes.

The Company also operates defined benefit schemes like retirement gratuity, defined superannuation benefits and post retirement medical benefits. The superannuation benefits and medical benefits are restricted to certain categories of employees. The defined benefit schemes offer specified benefits to the employees on retirement. Annual actuarial valuations are carried out by an independent actuary in compliance with Accounting Standard 15 (revised 2005) on Employee Benefits. Wherever recognized funds have been set up, annual contributions are also made by the Company. Employees are not required to make any contribution.

Amounts recognized in the Balance Sheet are as follows:

	Pension				Gratuity				Medical			
	2010	2009	2008	2007	2010	2009	2008	2007	2010	2009	2008	2007
Present value of funded obligation	911.38	1374.61	1475.37	2076.93	1909.66	1848.97	1521.69	4107.06	-	-	-	-
Fair Value of Plan Assets	999.38	1360.36	1645.22	2224.62	1851.47	1363.37	1409.94	3946.27	-	-	-	-
	(88.00)	14.25	(169.85)	(147.69)	58.19	485.60	111.75	160.79	-	-	-	-
Present Value of Unfunded obligation	583.60	336.91	371.58	831.67	-	-	-	-	2121.41	1791.52	1556.31	1572.00
Amount not recognized as an asset (limit in Para 59 (b) of AS -15)	40.53	6.29	-	-	-	-	0.45	-	-	-	-	-
Net Liability	536.13	357.45	201.73	683.98	58.19	485.60	112.20	160.79	2121.41	1791.52	1556.31	1572.00

Amounts recognized in the Profit and Loss Account and charged to Contribution to Provident Fund and other Funds, Workmen and Staff Welfare Expenses and Insurance are as follows:

	Pension				Gratuity				Medical			
	2010	2009	2008	2007	2010	2009	2008	2007	2010	2009	2008	2007
Current Service Cost	-	-	-	81.63	85.91	69.57	66.92	231.51	70.50	40.62	58.65	58.41
Interest on obligation	108.06	102.10	193.69	285.49	132.01	117.82	99.80	296.55	133.97	115.32	131.66	119.04
Expected Return on plan assets	(69.98)	(77.13)	(165.95)	(167.41)	(99.36)	(104.66)	(96.03)	(289.48)	-	-	-	-
Net actuarial loss/(gain) recognized during the year	(66.99)	34.27	(146.61)	(295.84)	(45.94)	397.02	78.42	(132.56)	194.69	298.41	(171.99)	(126.22)
Loss/(Gain) on Acquisition & Divestiture	-	-	-	-	-	-	-	-	-	-	-	-
Other Credits	-	-	(94.31)	(18.56)	-	-	(44.80)	-	-	-	-	-
Effects of the limit in Para 59(b)	34.24	6.29	-	-	-	(0.45)	0.45	-	-	-	-	-
Loss/(Gain) on curtailment/settlement	-	-	-	(818.26)	-	-	-	-	-	-	-	-
Total recognized in Profit and Loss Account	5.33	65.53	(213.18)	(932.95)	72.62	479.30	104.76	106.02	399.16	454.35	18.32	51.23

Schedule 22 (Continued)

Reconciliation of opening and closing balances of the present value of the obligations:

Rs. in Lakhs

	Pension				Gratuity				Medical			
	2010	2009	2008	2007	2010	2009	2008	2007	2010	2009	2008	2007
Opening defined benefit obligation	1711.52	1846.95	2908.60	3957.77	1848.97	1521.69	4107.06	4016.32	1791.52	1556.31	1572.00	1559.67
Current Service Cost	-	-	-	81.63	85.91	69.57	66.92	231.51	70.50	40.62	58.65	58.41
Interest Cost	108.06	102.10	193.69	285.49	132.01	117.82	99.80	296.55	133.97	115.32	131.66	119.04
Actuarial loss/(gain)	(34.38)	60.96	(125.20)	(291.72)	42.52	367.61	149.54	(29.02)	194.69	298.41	(171.99)	(126.22)
Loss/(Gain) on curtailment	-	-	-	(818.26)	-	-	-	-	-	-	-	-
Liabilities extinguished on settlements	-	(159.85)	(454.28)	-	-	-	-	-	-	-	-	-
Liabilities assumed on Acquisition/(settled on Divestiture) etc.	-	-	(429.04)	-	-	-	(2791.32)	-	-	(165.59)	-	-
Benefits Paid	(290.22)	(138.64)	(246.82)	(306.31)	(199.75)	(227.72)	(110.31)	(408.30)	(69.27)	(53.55)	(34.01)	(38.90)
Closing Defined Benefit Obligation	1494.98	1711.52	1846.95	2908.60	1909.66	1848.97	1521.69	4107.06	2121.41	1791.52	1556.31	1572.00

Reconciliation of opening and closing balances of the fair value of plan assets:

Rs. in Lakhs

	Pension				Gratuity			
	2010	2009	2008	2007	2010	2009	2008	2007
Opening fair value of Plan Assets	1360.36	1645.22	2224.62	2311.12	1363.37	1409.94	3946.27	3961.55
Expected Return on plan assets	69.98	77.13	165.95	167.41	99.36	104.66	96.03	289.48
Actuarial gain/ (loss)	32.61	26.69	21.41	4.12	88.46	(29.41)	71.12	103.54
Asset distributed on settlement	-	(159.85)	(454.28)	-	-	-	-	-
Transferred to Active Staff's DC Account Opening Balance	(223.08)	-	-	-	-	-	-	-
Contribution/(Withdrawal) by employer	17.23	(123.37)	(97.29)	-	500.03	105.90	198.15	-
Assets acquired on Acquisition/(settled on Divestiture)	-	-	-	-	-	-	(2791.32)	-
Transfer from forfeiture reserve	-	-	-	18.56	-	-	-	-
Benefits Paid	(257.72)	(105.46)	(215.19)	(276.59)	(199.75)	(227.72)	(110.31)	(408.30)
Closing Fair value of Plan Assets	999.38	1360.36	1645.22	2224.62	1851.47	1363.37	1409.94	3946.27
Actual Return on Plan Assets	102.59	103.82	187.36	171.53	187.82	75.25	167.14	393.02

Major Categories of Plan Assets as a percentage of fair value of the total plan assets:

	2010	2009	2008	2007
Govt. of India Securities	5%	7%	5%	5%
PSU bonds	2%	2%	2%	3%
Insurance managed Funds	93%	82%	93%	92%
Others	-	9%	-	-
Total	100%	100%	100%	100%

Effect of increase/decrease of one percentage point in the assumed medical inflation rates:

Rs.in Lakhs

	Increase				Decrease			
	2010	2009	2008	2007	2010	2009	2008	2007
Effect on aggregate of interest cost and current service cost	16.16	14.98	13.84	18.76	(28.42)	(23.44)	(21.96)	(17.05)
Effect on defined benefit obligation	190.93	179.15	155.63	157.20	(175.16)	(162.87)	(141.48)	(142.91)

Schedule 22 (Continued)**Principal Actuarial assumptions used:**

	2010	2009	2008	2007
Discount rates	8.00%	7.30%	8.20%	8.20%
Expected rate of return on plan assets	7.50%	7.50%	8%	8%
Expected salary increase rates	4% and 5% based on employee category	4% and 5% based on employee category	4% and 5% based on employee category	4% and 5% based on employee category
Medical inflation rate	8%	8%	8%	8%
Mortality rates	LIC 1994-96 mortality tables	LIC 1994-96 mortality tables	LIC 1994-96 mortality tables	LIC 1994-96 mortality tables

The estimates of future salary increases considered in the actuarial valuation takes into account factors like inflation, future salary increases, supply and demand in the employment market etc. The expected return on plan assets is based on actuarial expectation of the average long-term rate of return expected on investments of the Funds during the estimated term of the obligations.

Experience adjustment on Plan Liability include **Rs.571.66 Lakhs** (2009 Rs. 328.57 Lakhs, 2008 Rs. 142.68 Lakhs, 2007 Rs. 992.26 Lakhs) and on Plan Assets **Rs.121.07 Lakhs** (2009 Rs. 2.73 Lakhs, 2008 Rs. 92.53 Lakhs, 2007 Rs. 107.66 Lakhs).

The contribution expected to be made by the Company for the year ending 31st March 2011 is not readily ascertainable.

27. Disclosure requirement for Derivatives Instruments

The Company uses foreign currency hedges to manage its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable transactions. The Company does not use derivative contracts for trading or for speculative purposes.

- a) The outstanding forward exchange contracts for sale of foreign currency as at 31st March 2010 are:

	No. of Contracts	US\$ in lakhs	AU\$ in lakhs	Rupee Equivalent in lakhs
	30.00	30.00	140.60	7081.44
	(10.00)	(24.50)	0.00	(1119.78)

- b) The outstanding options for sale of foreign currency as at 31st March 2010 are:

	No. of Contracts	US\$ in lakhs	AU\$ in lakhs	Rupee Equivalent in lakhs
	16.00	314.25	0.00	12925.44
	(20.00)	(593.25)	0.00	(24787.35)

- c) The year end foreign currency exposures of monetary items that have not been hedged are:

	US\$ equivalent in lakhs	Rs. in lakhs
Amounts payable in foreign currency	2.30	103.41
	(13.74)	(697.92)

28. Unless otherwise stated, figures in bracket relate to the previous year and have been rearranged/regrouped wherever necessary.

Balance Sheet Abstract & Company's General Business Profile

I. REGISTRATION DETAILS

Registration No.	31425	State Code	21
Balance Sheet Date	31.03.2010		

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

Total Liabilities	30664632	Total Assets	30664632
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SOURCES OF FUNDS

Paid Up Capital	618399	Share Warrants	Nil
Reserves & Surplus	20160018	Secured Loans	4964450
Unsecured Loans	32143		

APPLICATION OF FUNDS

Net Fixed Assets	1113637	Investments	23090492
Net Current Assets	1562678	Miscellaneous Expenditure	Nil
Accumulated Losses	Nil	Deferred Taxation	8203

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

Turnover (Total Income)	18368427	Total Expenditure	13414105
Profit/(Loss) Before Tax	4954322	Profit/(Loss) After Tax	3914702
Earnings Per Share (in Rs.)	63.30	Dividend Rate	200%

V. GENERIC NAMES OF TWO PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

Item Code No. (ITC Code)	9023000
Product Description	BLACK TEA
Item Code No. (ITC Code)	21012001
Product Description	INSTANT TEA

R.N. Tata
Chairman

R.K. Krishna Kumar
Vice Chairman

F.K. Kavarana
A.R. Gandhi

J.S. Bilimoria
V. Leeladhar

P.D. Unsworth
Directors

P.T. Siganporia
Managing Director

Ms. Sangeeta Talwar
Wholetime Director

V. Madan
Vice President &
Secretary

Mumbai, May 25, 2010

Cash Flow Statement

for the year ended 31st March 2010

	2010	2009	Rs in Lakhs
A. Cash Flow from Operating Activities			
Net Profit before Tax	49543.22		22906.15
Adjusted for:			
Depreciation	1232.41	1064.92	
Investment Income	(12100.00)	(14360.97)	
Unrealised Exchange Loss/(Gain)	(158.43)	335.93	
Interest Expense	5634.40	8162.73	
Interest Income	(1128.38)	(3303.00)	
Profit on sale of current Investments (net)	(23.01)	(178.05)	
Provision for Doubtful Debts and Advances	5.77	14.43	
Liabilities no longer required written back	(365.01)	(1023.19)	
Debts and Advances written off	38.09	12.93	
Provision for Doubtful Debts/Advances no longer required written back	(20.85)	(0.97)	
Loss on sale/discard of Fixed Assets (net)	262.98	32.14	
Expenses on new business initiatives	-	594.93	
Amortisation of Expenditure on Employee Separation Schemes	759.53	878.04	
Profit on Sale of long term trade Investments	(24772.32)	(513.72)	
	<u>(30634.82)</u>		(8283.85)
Operating Profit before working capital changes	18908.40		14622.30
Adjustments for:			
Trade and other receivables	(1256.88)	1980.54	
Inventories	(8703.50)	(9527.21)	
Trade Payables	3008.63	1136.78	
	<u>(6951.75)</u>		(6409.89)
Cash generated from Operations	11956.65		8212.41
Direct Taxes paid (net)	(8645.41)	(7630.01)	
	<u>(8645.41)</u>		(7630.01)
Net Cash from Operating Activities	3311.24		582.40
B. Cash Flow from Investing Activities			
Proceeds received from Amalgamated Plantations Pvt. Ltd. (Note 2)	14123.00	-	
Purchase of Fixed Assets	(2245.70)	(1710.69)	
Sale of Fixed Assets	9.59	27.09	
Purchase of Long Term Investments	(5000.50)	(489.05)	
Sale of Long Term Investments	36586.89	9086.58	
Expenses on new business initiatives	-	(594.93)	
Investments in Subsidiaries	(2684.42)	(1720.48)	
Sale of Current Investments (net)	(11962.11)	12524.60	
Investment Income - Dividend	10610.41	13596.62	
Investment Income - Interest	1147.81	1865.32	
Interest received	1386.48	4397.02	
Inter Corporate Deposits & Loans Placed	(6500.00)	-	
Inter Corporate Deposits & Loans Redeemed	1600.00	-	
Net Cash from Investing Activities	37071.45		36982.08

	2010	2009
Rs in Lakhs		
C. Cash Flow from Financing Activities		
Proceeds from issue of Commercial Paper	-	52140.40
Redemption of Commercial Papers	(15000.00)	(39100.00)
Repayment of Short Term Loan	(30000.00)	(22000.00)
Repayment of Long Term Borrowings	(642.86)	(5142.85)
Working Capital Facilities (net)	4967.27	(8516.09)
Availment of Short Term Loan	15000.00	20000.00
Dividend paid	(10777.01)	(21570.72)
Dividend Tax paid	(1729.72)	(3550.67)
Interest paid	(6221.53)	(6671.65)
Net Cash used in Financing Activities	(44403.85)	(34411.58)
Net increase/(decrease) in Cash and Cash Equivalents	(4021.16)	3152.90
D. Cash and Cash Equivalents		
Opening Balance	4564.95	1403.58
Effect of exchange rate changes	(7.75)	8.47
Closing Balance	536.04	4564.95

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard on 'Cash Flow Statements (AS-3)' issued by Companies (Accounting Standards) Rules, 2006.
- During the year **Rs.2440.00** Lakhs (Rs.Nil) Equity shares and **Rs.13242.02** Lakhs (Rs.Nil) Redeemable Non Convertible Debentures were issued by Amalgamated Plantations Private Limited in discharge of purchase consideration without payment being made in cash and hence not considered in Cash Flow Statement.
- Previous year's figures have been rearranged/regrouped wherever necessary.

This is the Cash Flow Statement referred to in our Report of even date.

For **N. M. Raiji & Co.**

Firm Registration No. 108296W
Chartered Accountants

J. M. Gandhi

Partner

Membership No. 37924

Mumbai, May 25, 2010

For **Lovelock & Lewes**

Firm Registration No. 301056E
Chartered Accountants

Partha Mitra

Partner

Membership No. 50553

R.N. Tata

Chairman

R.K. Krishna Kumar

Vice Chairman

F.K. Kavarana

A.R. Gandhi

J.S. Bilimoria

V. Leeladhar

P.D. Unsworth

Directors

P.T. Siganporia

Managing Director

Ms. Sangeeta Talwar

Wholetime Director

V. Madan

Vice President &
Secretary

Financial Highlights

Rs. in Lakhs

	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
Total Income	183684	152464	126329	114611	104017	95024	83845	80684	81606	89116
Profit before Tax	49543	22906	38586	34977	23052	16215	12023	10010	8581	12761
Tax	10396	7000	7300	4320	4359	3323	2870	2950	1385	2740
Profit after Tax	39147	15906	31286	30657	18693	12892	9153	7060	7196	10021
Dividend payout	14313 @	12533 @	25322 @	10852 @	7693 @	6410 @	5403 @	4439 @	3935	5576 @
Equity Capital	6184	6184	6184	5903	5622	5622	5622	5622	5622	5622
Share Warrants	-	-	-	2183	-	-	-	-	-	-
Reserves & Surplus	201600	173748	174221	148469	110505 ##	99275	91903 \$	92241	91177 #	84076
Shareholders' Funds	207784	179932	180405	156555	116127	104897	97525	97863	96799	89698
Borrowings	49966	75500	75751	79700	24136	19137	19736	22539	21424	23903
Capital Employed	257750	255432	256156	236255	140263	124035	117261	120401	118222	113601
Net Block	11136	10396	9810	24658	25031	30269	31288	33263	34081	33322
Contribution to Exchequer	11999	8045	8270	5358	5654	5719	4456	3833	3498	4762
Payments relating to Employees	9503	9175	7183	17915	17631	21892	21694	23368	24360	23199
No. of Employees	2419	2422	2510	34506	34596	51929	55665	56099	57736	58888
Book value per Share (Rs.) *	332.47	287.43	288.19	261.51	202.67	182.69	169.58	170.18	168.29	155.66
Earnings per Share (Rs.)	63.3	25.72	50.79 **	53.56 **	33.25	22.93	16.28	12.56	12.80	17.82
Dividend per Share (Rs.)	20.00	17.50	35.00 &	15.00	12.00	10.00	8.50	7.00	7.00	9.00
Total Debt to Equity *	0.24	0.42	0.43	0.52	0.21	0.19	0.21	0.24	0.23	0.27

CONSOLIDATED FINANCIAL HIGHLIGHTS

Total Income	585499	490730	437597	410323	315112	307673	309948	296778 ^	307133
Profit before Tax	64098	125631	205928	56561	41840	31372	28771	17891 ^	12665
Net Profit	39030.13	70054.64	154255	44335	29915	21547	19643	8254 ^	9867
Book value per Share (Rs.) *	596.35	580.94	557.34	359.96	275.27	266.26	234.97	207.20	188.28
Basic Earnings per Share (Rs.)	63.11	113.28	250.41 **	77.46 **	53.21	38.33	34.95	14.68 ^	17.55
Total Debt to Equity *	0.38	0.53	0.59	1.67	1.03	1.02	1.28	1.42	1.53

@ Includes Tax on Dividend

& Includes one time special dividend of Rs. 20 per share

* Computation excludes Revaluation Reserves.

** On the average Share capital for the year/period.

After deduction of Rs. 3434 Lakhs being the deferred tax liability of previous years, and inclusive of Rs. 7276.07 Lakhs credited pursuant to a scheme of amalgamation.

Inclusive of Rs. 288.47 Lakhs credited pursuant to a scheme of amalgamation.

\$ After deduction of Rs. 4100 Lakhs of Miscellaneous Expenditure to the extent not written off or adjusted, pursuant to the order of the Hon'ble High Court of Kolkata.

^ As the accounting period of Tata Tea (GB) Ltd., UK based subsidiary, was for a period of thirteen months, figures have been restated for a twelve month period.

Statement of Area, Crop and Yield

	Estate	Address	Hectarage	Crop (Kgs)	Yield/Bearing Hect (kgs)
TEA	KERALA				
	Periakanal	PO Munnar Dist. Idukki Kerala 685 612	340.13	1067908	3140
	Pullivasal	PO Munnar Dist. idukki Kerala 685 612	424.76	1126412	2652
		Total Kerala	764.89	2194320	2869

Consolidated Financial Statements

Auditors' Report

On the Consolidated Financial Statements of Tata Tea Limited

To

The Board of Directors of Tata Tea Limited

1. We have audited the attached Consolidated Balance Sheet of Tata Tea Limited and its subsidiaries, its Joint Ventures and associate companies; hereinafter referred to as the "Group" (refer Note 1b on Schedule 24 to the attached consolidated financial statements) as at March 31, 2010, the related Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated 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 disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of (i) certain subsidiaries and Joint Ventures of the subsidiaries included in the consolidated financial statements, which constitute total assets of Rs. 705,437.86 lakhs and net assets of Rs. 606,602.03 lakhs as at March 31, 2010, total revenue of Rs. 425,183.32 lakhs net profit of Rs. 42,549.59 lakhs and net cash flows amounting to Rs. 91,247.80 lakhs for the year then ended; and (ii) certain associate companies which constitute net profit of Rs. 3,303.84 lakhs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, Accounting Standard (AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements, and Accounting Standard (AS) 27 - Financial Reporting of Interests in Joint Ventures notified under sub-section 3C of Section 211 of the Companies Act, 1956.
5. Based on our audit and on consideration of reports of other auditor(s) on separate financial statements and on the other financial information of the component(s) of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2010 ;
 - (b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date: and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For N. M. RAJI & Co.
Chartered Accountants
Firm Registration No. 108296W

J. M. Gandhi
Membership No.: 37924
Partner

Mumbai, 25 May, 2010

For LOVELOCK & LEWES
Chartered Accountants
Firm Registration No. 301056E

Partha Mitra
Membership No.: 50553
Partner

Mumbai, 25 May, 2010

Consolidated Balance Sheet

as at 31st March, 2010

	Schedule	2010	2009	Rs. in Lakhs
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1	6164.17	6164.17	
Reserves and Surplus	2	366159.45	359124.67	
		372323.62		365288.84
Minority Interest		105713.68		102195.56
Loan Funds				
Secured Loans	3	174162.05	209007.82	
Unsecured Loans	4	5516.43	34099.27	
		179678.48		243107.09
Deferred Tax Liability (Net)	14	7474.87		4837.34
TOTAL		665190.65		715428.83
APPLICATIONS OF FUNDS				
Fixed Assets				
Gross Block	5	439903.35	446890.11	
Less : Depreciation		75199.71	70674.12	
Net Block		364703.64	376215.99	
Add : Capital Work-in-progress		4736.12	6318.46	382534.45
Investments	6	51911.32		35130.41
Current Assets, Loans & Advances				
Inventories	7	92165.18	74443.90	
Sundry Debtors	8	51972.14	44998.26	
Cash & Bank Balances	9	190382.99	108915.08	
Other Current Assets	10	2202.88	24234.20	
Loans and Advances	11	63084.83	206062.50	
		399808.02	458653.94	
Less : Current Liabilities & Provisions				
Liabilities	12	133057.57	129312.26	
Provisions	13	22910.88	32341.88	
		155968.45	161654.14	
Net Current Assets		243839.57		296999.80
Miscellaneous Expenditure to the extent not written off or adjusted		-		764.17
TOTAL		665190.65		715428.83

Notes on Accounts

24

The Schedules referred to above form an integral part of the Consolidated Balance Sheet.

This is the Consolidated Balance Sheet referred to in our Report of even date.

For N. M. Raiji & Co.

Firm Registration No. 108296W
Chartered Accountants

J. M. Gandhi

Partner
Membership No. 37924
Mumbai, May 25, 2010

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

Partha Mitra

Partner
Membership No. 50553

R.N. Tata

Chairman

R.K. Krishna Kumar

Vice Chairman

F.K. Kavarana

A.R. Gandhi

J.S. Bilimoria

V. Leeladhar

P.D. Unsworth

Directors

P.T. Siganporia

Managing Director

Ms. Sangeeta Talwar

Wholtime Director

V. Madan

Vice President &
Secretary

Consolidated Profit and Loss Account

for the year ended 31st March 2010

	Schedule	2010	2009
Rs. in Lakhs			
INCOME			
Sales and Services - Net	15	578295.04	484787.48
Other Income	16	3797.55	2622.89
Investment Income	17	3406.47	3319.90
		<u>585499.06</u>	<u>490730.27</u>
EXPENDITURE			
Purchases	18	27597.34	19636.63
Raw Materials Consumed	19	205905.52	162438.45
Expenses	20	280129.68	247570.99
Depreciation and Amortisation		10567.93	10153.78
Less : Amount drawn from Revaluation Reserve		(275.60)	(285.04)
(Accretion)/ Decretion to Stock	21	(3704.02)	(6797.00)
		<u>520220.85</u>	<u>432717.81</u>
		65278.21	58012.46
Interest			
(net of interest income Rs 12114.85 Lakhs (Rs. 15593.28 Lakhs))		(2793.01)	(5419.52)
Exceptional Income/(Expenditure)	23	1613.08	73037.75
Profit before Taxation		<u>64098.28</u>	<u>125630.69</u>
Provision for Taxation	22	24767.55	42441.25
Profit after Taxation before share of results of Associates and Minority Interests		<u>39330.73</u>	<u>83189.44</u>
Share of net profit in Associates		3303.84	2493.22
Minority Interests		(3604.44)	(15628.02)
Net Profit		<u>39030.13</u>	<u>70054.64</u>
Balance Bought forward		235854.02	183965.90
		<u>274884.15</u>	<u>254020.54</u>
APPROPRIATIONS			
Dividend :			
- Final		12367.97	10821.97
- Tax on Dividend		2195.05	1711.47
		<u>14563.02</u>	<u>12533.44</u>
Transfer to General Reserve		4519.32	2037.43
Transfer to Debenture Redemption Reserve		2483.29	3595.65
Balance Carried Forward		<u>253318.52</u>	<u>235854.02</u>
Basic and Diluted Earnings per share (Rs.)		<u>63.11</u>	<u>113.28</u>
Notes on Accounts	24		

The Schedules referred to above form an integral part of the Consolidated Profit and Loss Account.

This is the Consolidated Profit and Loss Account referred to in our Report of even date.

For **N. M. Raiji & Co.**

Firm Registration No. 108296W
Chartered Accountants

J. M. Gandhi

Partner

Membership No. 37924

Mumbai, May 25, 2010

For **Lovelock & Lewes**

Firm Registration No. 301056E
Chartered Accountants

Partha Mitra

Partner

Membership No. 50553

R.N. Tata
Chairman

R.K. Krishna Kumar
Vice Chairman

F.K. Kavarana
A.R. Gandhi
Managing Director

J.S. Bilimoria
V. Leeladhar
Wholetime Director

P.D. Unsworth
Directors
V. Madan
Vice President & Secretary

	2010	Rs. in Lakhs 2009
Schedule 1		
SHARE CAPITAL		
Authorised		
750,00,000 Equity Shares of Rs.10 each	7500.00	7500.00
Issued, Subscribed and Paid-up		
618,39,857 (618,39,857) Equity Shares of Rs.10 each, fully paid-up	6183.99	6183.99
Less : Held by a Subsidiary Company	(19.82)	(19.82)
Of the above,		
(a) 72,38,073 Shares have been allotted as fully paid pursuant to a contract without payment being received in cash.		
(b) 331,80,674 Shares have been allotted as fully paid Bonus Shares by capitalisation of General Reserve and Securities Premium Account.		
	6164.17	6164.17

Schedule 2

RESERVES AND SURPLUS

	2009	Additions	Deductions		
Capital Reserve	1039.47		1030.80	8.67	1039.47
Capital Subsidy Reserve	30.10	-	-	30.10	30.10
Capital Redemption Reserve	10.41	-	-	10.41	10.41
Revaluation Reserve	4996.23	-	275.60	4720.63	4996.23
Contingency Reserve	100.00	-	-	100.00	100.00
Debenture Redemption Reserve	8752.94	2483.29	-	11236.23	8752.94
Securities Premium Account	66472.48	-	-	66472.48	66472.48
Exchange Fluctuation Reserve	(28996.42)	-	22902.89	(51899.31)	(28996.42)
Hedging Reserve	(9306.56)	6278.01	-	(3028.55)	(9306.56)
General Reserve	79339.47	5018.27	-	84357.74	79339.47
Amalgamation Reserve	832.53	-	-	832.53	832.53
	123270.65	13779.57	24209.29	112840.93	123270.65
Profit & Loss Account				253318.52	235854.02
				366159.45	359124.67

	2010	Rs. in Lakhs 2009
Schedule 3		
SECURED LOANS		
3250, 9.40% Non-Convertible, privately placed, Debentures of Rs. 10 Lakhs each.	32500.00	32500.00
Redeemable at par on 8.11.2010, at the end of 3 years from the date of allotment 7.11.2007. The debentures are secured by way of a first mortgage on certain immovable properties of the holding company and pledge of shares of a company and a subsidiary held as investments by the holding company.		
750, 4% Secured Redeemable Non-Convertible, privately placed, Debentures	-	2550.00
Redeemable at a premium, in three instalments of 33%, 33% and 34% respectively at the end of the 2nd, 3rd and 4th years from the date of allotment i.e. 25.11.2005. Accordingly all three installment has been redeemed during the year. Secured by a charge on certain immovable assets of a subsidiary.		
7% Secured Redeemable Non-Convertible Debentures	2685.42	2685.42
Redeemable at par, in three equal instalments, at the end of the 4th, 5th and 6th years from the date of allotment i.e. 29.12.2006. Secured by a charge on certain immovable assets of a subsidiary.		
From Banks		
Term Loan from Standard Chartered Bank	1350.50	1484.28
Secured by way of mortgage of certain immoveable & moveable properties of an overseas subsidiary.		
Working Capital Facilities	23230.56	16387.42
Secured by way of hypothecation of inventories, crop, book debts and movable assets, other than plant and machinery and furniture, of the holding company. For an Indian subsidiary, working capital facility is secured by hypothecation of coffee crop, stocks and receivables, whilst a part of the cash credit funding is also secured by deposit of title deeds of a coffee estate. For an overseas subsidiary working capital facilities are secured by specific security over the assets of certain overseas subsidiary.		
Senior Debt*	114395.57	153400.70
* Debts are secured over assets of certain overseas subsidiaries.		
	174162.05	209007.82

Schedule 4

UNSECURED LOANS

Short Term Loans		
From Banks	5000.00	18000.00
From Others		
Commercial paper	-	15000.00
Other than Short Term		
From Banks		
Term loan from Banks	321.43	964.29
From Others	195.00	134.98
	5516.43	34099.27

Rs. in Lakhs

Schedule 5

FIXED ASSETS

	Cost				Depreciation		Net Book Value	
	As at 1.4.2009	Addi- tions/ Adjust- ments	Deduc- tions/ Adjust- ments	As at 31.3.2010	For the Year	To date	As at 31.3.2010	As at 31.3.2009
TANGIBLE								
Land (including Development)	5301.71	949.04	61.43	6189.32 *	47.63	46.14	6143.18	5301.55
Tea / Coffee Estate Land/Fuel Area (including Development)	755.60	-	-	755.60	-	-	755.60	755.60
Buildings	15474.02	235.79	459.20	15250.61	500.28	4798.49	10452.12	11015.28
Bridges	16.43	-	-	16.43	-	2.44	13.99	14.02
Plant & Machinery	83605.92	9099.06	6091.96	86613.02	7035.70	56420.83	30192.19	29736.62
Furniture, Fixtures & Office Equipment	10503.36	1699.18	938.53	11264.01	1267.29	7551.04	3712.97	3499.72
Motor Vehicles	1781.68	679.71	253.53	2207.86	224.72	1107.95	1099.91	725.89
INTANGIBLE								
Goodwill	304274.80	13116.89	22631.35	294760.34 ^	544.09 \$	1876.16	292884.18	302733.22
Intangibles	24103.58	-	2330.43	21773.15	763.62	2633.36 @	19139.79	21939.78
Capitalised Software	773.01	-	-	773.01	154.60	678.30 +	94.71	249.31
Non-Compete Fee	300.00	-	-	300.00	30.00	85.00 &	215.00	245.00
Total	446890.11	25779.67	32766.43	439903.35	10567.93	75199.71	364703.64	376215.99
Previous Year	428876.49	20252.63	2239.01	446890.11	10153.78	70674.12	376215.99	
Capital Work-in-Progress (includes capital advances)							4736.12 %	
Previous Year							6318.46 Ω	

Notes:

- (*) Includes leasehold land of **Rs.202.40 Lakhs** (Rs. 202.40 Lakhs) belonging to two Indian subsidiaries.
- Cost of Buildings include **Rs. 589.84 Lakhs** (Rs. 589.84 Lakhs) represented by shares in Co-operative Housing Societies/a Company.
- Includes borrowing costs capitalised
(Ω) Capital Work in Progress includes borrowing costs capitalised **Rs. 85.85 Lakhs** (Rs. 106.10 Lakhs).
- (^) Goodwill addition is on account of increase of holding by the Group in Mount Everest Mineral Water Ltd. & Zhejiang Tata Tea Extraction Co. Ltd, purchase of stake in Russian business, acquisition of distribution assets in Poland
Rs.13116.89 Lakhs (Rs. 9247.62 Lakhs).
- (+) The accumulated amortisation as at the beginning of the year was **Rs. 523.70 Lakhs** (Rs. 377.50 Lakhs), unexpired period of amortisation is 4 months for Rs. 47.17 Lakhs, 48 months for Rs. 33.60 Lakhs and 36 months for Rs. 13.94 Lakhs.
- (\$) Represents amortisation of certain intangible assets included as goodwill under India GAAP.
- (@) The accumulated amortisation as at the beginning of the year was **Rs. 2163.80 Lakhs** (Rs.1069.87 Lakhs). Unexpired period of amortisation for certain intangibles is 256 months.
- (&) The accumulated amortisation as at the beginning of the year was **Rs. 55.00 Lakhs** (Rs. 25.00 Lakhs). Unexpired period of amortisation is 86 months.
- Depreciation to date includes adjustment towards foreign exchange on restatement at the year end.
- Exchange differences arising due to restatement of fixed assets in overseas subsidiaries, as at year end, have been transferred to Exchange Fluctuation Reserves.
- Buildings include leasehold improvements of **Nil** (Rs. 13.99 Lakhs) of an Indian subsidiary.
- Deductions/Adjustments to Plant & Machinery includes capital subsidy of **Nil** (Rs.22.24 Lakhs) received from the Himachal Pradesh Government for setting the plant in specified area, by an Indian subsidiary. The asset declared under the scheme representing plant and machinery valued at Rs. 148.26 Lakhs have been hypothecated to Directors Industries, Himachal Pradesh Government as security for non disposal of there assets for a period of 5 years as per the said agreement.
- (%) is net of Rs. 45.23 lakhs, received as subsidy from the Governement, by a foreign subsidiary.

Schedule 6

INVESTMENTS

Long Term (Fully Paid)

Trade

Quoted Equity Shares

Associate

Rallis India Ltd.

		Rs. in Lakhs	
	Face Value of each	Nos.	
			2010
			2009
	Rs.	10	-
		(2938713)	-
			199.65

Others

Tata Chemicals Ltd. (Note 1)

The Indian Hotels Co. Ltd.

Tata Motors Ltd.

Tata Investment Corporation Ltd. (Note 2)

Tata Steel Ltd. (Note 4)

Titan Industries Ltd.

Tata Consultancy Services Ltd. (Note 3)

Quoted 'A' Ordinary Shares

Tata Motors Ltd.

Tata Investment Corporation Ltd. (Warrants)

Quoted Zero Coupon Convertible Bonds

Tata Investment Corporation Ltd.

Quoted 6% Non Convertible Debentures with Detachable Warrants

The Indian Hotels Co. Ltd.

Quoted 6.75% Secured Redeemable Non Convertible Debentures

Titan Industries Ltd.

Quoted 2% Cum. Compulsory Convertible Preference Shares (Note 4)

Tata Steel Ltd.

	Rs.	10	15545522	7346.59	7346.59
	Re.	1	1687742	271.99	271.99
	Rs.	10	23333	46.84	46.84
	Rs.	10	140000	156.19	26.19
			(100000)		
	Rs.	10	12021	17.02	9.01
			(10686)		
	Rs.	10	462403	295.24	295.24
	Re.	1	791200	2.45	2.45
	Rs.	10	3333	10.17	10.17
			20000	-	-
	Rs.	650	-	-	130.00
			(20000)		
	Rs.	100	140645	140.65	140.65
	Rs.	250	28677	71.69	71.69
	Rs.	100	-	-	8.01
			(8014)		
				8358.83	8558.48

Long Term (Fully Paid)

Trade

Unquoted

Associate

7.5% Cumulative Redeemable Preference Shares

Rallis India Ltd.

0.01% Non Cum Redeemable Preference Shares

Amalgamated Plantations Pvt. Ltd.

(redeemable with special redemption premium)

Equity/Ordinary Shares

Amalgamated Plantations Pvt. Ltd. (Note 5)

Estate Management Services (Pvt.) Ltd. *

	Rs.	10	-	-	1200.00
			(12000000)		
	Rs.	10	67000000	6700.00	6700.00
	Rs.	10	24410000	2441.00	0.50
			(4998)		
	LKR	10	15346800	1106.21	1106.21

				Rs. in Lakhs	
	Face Value of each	Nos.	2010	2009	
Schedule 6					
INVESTMENTS (Continued)					
Others					
6% Secured Reedemable Non Convertible Debentures					
Infiniti Retail Limited	Rs. 50000000	10	5000.00	-	
(redeemable with premium of 6.27% on maturity)					
10% Redeemable Non Convertible Debentures					
Amalgamated Plantations Pvt. Ltd. (Note 6)	Rs. 10	28271000	2827.10	-	
Others - Equity/Ordinary Shares					
Tata Sons Ltd.	Rs. 1000	1755	975.00	975.00	
Tata Services Ltd.	Rs. 1000	475	4.77	4.77	
Tata Industries Ltd.	Rs. 100	4346294	5606.17	5606.17	
Taj Air Ltd.	Rs. 10	4200000	420.00	420.00	
Kanan Devan Hill Plantations Company (Pvt.) Ltd.	Rs. 10	2500000	250.00	250.00	
Chembra Peak Estates Ltd.	Rs. 10	3481	0.41	0.41	
Wartyhully Estates Ltd.	Rs. 10	24748	0.93	0.93	
Joonktolle Tea & Industries Ltd.	Rs. 10	11524	6.42	6.42	
The Cochin Malabar Estates & Industries Ltd.	Rs. 10	2156	0.20	0.20	
			<u>25338.21</u>	<u>16270.61</u>	
(*) Sale of these investments requires first offer of sale to the Venture partners.					
Other than Trade					
Quoted - Equity Shares					
SBI Home Finance Ltd.	Rs. 10	100000	-	-	
Industrial Development Bank of India	Rs. 10	16160	13.13	13.13	
Others					
Colombia Treasury Reserve Money Market Fund	USD 1	-	-	1174.33	
		(2778060)	<u>13.13</u>	<u>1187.46</u>	
Unquoted					
In Government Securities					
W. B. Estates Acquisition Compensation Bond			<u>0.08</u>	<u>0.08</u>	
			<u>0.08</u>	<u>0.08</u>	
Long Term (Fully Paid)					
Others - Unquoted					
The Annamallais Ropeways Company Limited					
Ordinary Shares	Rs. 100	2092	-	-	
ABC Tea Workers Welfare Services					
Ordinary Shares	Rs. 10	20000	2.00	2.00	
Assam Hospitals Ltd.					
Equity Shares	Rs. 10	200000	20.00	20.00	
The Valparai Co-operative Wholesale Stores Ltd.					
Ordinary Shares	Rs. 10	350	-	-	
The Bengal Chamber of Commerce & Industry					
6 1/2% Debentures	Rs. 1000	7	0.07	0.07	
Woodlands Hospital & Medical Res. Centre Ltd.					
5% Debenture Stock	Rs. 95000	1	0.44	0.44	
Woodlands Hospital & Medical Res. Centre Ltd.					
1/2% Debentures - (Cost Rs. 3)	Rs. 100	278	-	-	
Suryakiran Apartment Services Private Ltd.					
Equity Shares	Rs. 10	2146	0.21	0.21	
Shillong Club Ltd. - 5% Debentures	Rs. 100	31	-	-	
(Cost Rs. 2)					

			Rs. in Lakhs	
	Face Value of each	Nos.	2010	2009
Jalpaiguri Club Ltd. - Ordinary Shares (Cost Re.1)	Rs. 10	60	-	-
Thakurbari Club Ltd. - Preference Shares (Cost Re.1)	Rs. 100	26	-	-
GNRC Ltd. Equity Shares	Rs. 10	50000	5.00	5.00
IFCI Venture Capital Funds Ltd. Equity Shares	Rs. 10	250000	25.00	25.00
Ritspin Synthetics Ltd. Equity Shares	Rs. 10	200000	-	-
Coorg Orange Growers Co-operative Society Ltd. Equity Shares	Rs. 100	4	-	-
Tata Coffee Co-operative Stores Limited Equity Shares	Rs. 5	20	-	-
Coorg Cardamom Co-operative Marketing Society Limited Equity Shares	Rs. 100	1	-	-
TEASERVE - Equity Shares (The Tamil Nadu Tea Manufacturers' Service Industrial Co-operative Society Ltd.)	Rs. 5000	1	0.05	0.05
Rural Electrification Corporation Ltd. 5.50% Capital Gain Bonds	Rs. 10000	500	50.00 102.77	50.00 102.77
Current - Unquoted (Fully Paid)				
Other than Trade - In units of Mutual Funds/Money Market Funds				
HSBC Ultra Short Term Fund Weekly Dividend	Rs. 10	1981821 (2341920)	198.29	234.90
Kotak Mutual Fund Units of Kotak Fixed Maturity Plan Series 4 Institutional Growth Scheme	Rs. 10	- (2000000)	-	200.00
Kotak Mutual Fund Units of Kotak Liquid Plus Fund Floater Long Term - Dividend Scheme	Rs. 10	18606883	1875.54	-
UTI Mutual Fund Units of UTI Liquid Plus Fund Treasury Advantage - Institutional - Dividend Scheme	Rs. 1000	162636	1626.71	-
Birla Mutual Fund Units of Birla Sun Life Liquid Fund Cash Manager - Dividend Scheme	Rs. 10	4998500	500.00	-
Birla Mutual Fund Units of Birla Sun Life Liquid Plus Fund Saving Fund - Institutional - Dividend Scheme	Rs. 10	19276130	1928.92	-
Fortis Mutual Fund Units of Fortis Liquid Plus Fund Money Plus Institutional Fund - Dividend Scheme	Rs. 10	3524073	352.52	-
IDFC Mutual Fund Units of IDFC Liquid Plus Fund - Money Manager Treasury Plan-C - Dividend Scheme	Rs. 10	22542589	2254.60	-
HDFC Mutual Fund Units of HDFC Liquid Fund - Cash Management Treasury Advantage Fund - Dividend Scheme	Rs. 10	23727066	2380.18	-
DSP BlackRock Mutual Fund Units of DSP BlackRock Liquid Plus Fund - Floating Rate Fund - Institutional Plan - Dividend Scheme	Rs. 1000	126596	1266.65	-

Rs. in Lakhs

Schedule 6**Investment (Continued)****Current - Unquoted (Fully Paid)**

	Face Value of each	Nos.	2010	2009
Tata Mutual Fund	Rs. 10	-		577.77
Units of Tata Floater Fund - Daily Dividend		(5757203)		
1310 ICICI Prudential Interval Fund	Rs. 10	5000000	500.00	-
Units of Quarterly Interval Plan F				
1525 ICICI Prudential	Rs. 10	117782	201.37	-
Units Flexible Income Plan Premium Growth Scheme				
Kotak Mutual Fund	Rs. 10	6434020	700.65	-
Quarterly Interval Plan - Series 8 Growth Scheme				
UTI Mutual Fund	Rs. 10	4157658	500.00	-
Fixed Income Interval Fund - Monthly Interval Plan			14285.43	1012.67
			48098.45	27132.07
Total			3812.87	7998.34
Net appreciation in investments in associates under equity method (Note 7)			51911.32	35130.41

Total of Investments

Quoted	8371.96	9745.94
Unquoted	25441.06	16373.46
Unquoted current investments - in units of mutual funds	14285.43	1012.67
Aggregate Amount	48098.45	27132.07
Market value of quoted investments	68425.79	41698.55
Net asset value of current investments	14288.27	1032.00
Aggregate Amount	82714.06	42730.55

Notes:

- 15385522 shares of Tata Chemicals Limited are pledged against 9.4% Non-Convertible Debentures.
- The warrants were part of Zero Coupon Convertible Bonds (ZCCB), the face value of which has already been converted into equity shares. The warrants entitle the holder, at his option, to purchase 1 Ordinary share at a price of Rs. 400 per share during the month of April 2011.
- During the year, Tata Consultancy Services Limited issued fully paid up bonus shares in the ratio 1:1.
- During the year, 2% Cumulative Compulsory Convertible Preference Shares (CCPS) of Tata Steel Limited were converted into equity shares in the ratio of 1:6, accordingly 1335 equity shares of Tata Steel Limited were allotted.
- Cost of Investment in Amalgamated Plantations Private Limited includes capital reserve of Rs 1559.78 lakhs.
- During the year, the holding company subscribed to 132420200 10% Redeemable Non-Convertible Debentures of Amalgamated Plantations Pvt. Ltd. aggregating to Rs. 13242.02 lakhs out of which 104149200 debentures have been redeemed at par within the year.
- Includes the following adjustment on account of Associate Companies.

	Rs. in Lakhs	Rs. in Lakhs
Pre-acquisition share of profit / (loss)	(152.25)	878.55
Post acquisition profit	1358.03	6648.90
Current year profit	3303.84	2493.22
Dividend received	(696.75)	(2022.33)
	3812.87	7998.34

	2010	Rs. in Lakhs 2009
Schedule 7		
INVENTORIES		
Stores, Spare Parts & Packing Materials	5709.13	5997.81
Raw Materials	52259.20	37953.26
Finished Goods	33958.31	30301.12
Work-in-progress	238.54	191.71
	<u>92165.18</u>	<u>74443.90</u>
Schedule 8		
SUNDRY DEBTORS		
(Unsecured unless otherwise stated)		
Debts outstanding for a period exceeding six months (includes secured debts of Rs. 2.99 Lakhs (Rs. 2.72 Lakhs))	1409.59	1400.61
Other Debts (includes secured debts of Rs. 1511.21 Lakhs (Rs. 1580.99 Lakhs))	<u>51821.15</u>	<u>44793.02</u>
	<u>53230.74</u>	<u>46193.63</u>
Less : Provision for Doubtful Debts^	<u>1258.60</u>	<u>1195.37</u>
	<u>51972.14</u>	<u>44998.26</u>
	<u>51972.14</u>	<u>44998.26</u>
Note :		
Debts considered good	51972.14	44998.26
Debts considered doubtful	<u>1258.60</u>	<u>1195.37</u>
	<u>53230.74</u>	<u>46193.63</u>
Schedule 9		
CASH & BANK BALANCES		
Cash, Cheques in hand and Remittance in transit	79.26	751.62
With Banks on:		
Current Account	14751.84	10782.57
Deposit Accounts	<u>175551.89</u>	<u>97380.89</u>
	<u>190303.73</u>	<u>108163.46</u>
	<u>190382.99</u>	<u>108915.08</u>
Schedule 10		
OTHER CURRENT ASSETS		
Interest accrued	2142.88	2959.98
Receivable from Amalgamated Plantations Pvt. Ltd.	<u>60.00</u>	<u>21274.22</u>
	<u>2202.88</u>	<u>24234.20</u>

	2010	2009	Rs. in Lakhs
Schedule 11			
LOANS & ADVANCES			
(Unsecured and considered good unless otherwise stated)			
Loans/Intercompany Loans	39990.21		181854.35
(including secured loans amounting to Rs. 29820.70 Lakhs (Rs. 31893.69 Lakhs))			
Advances recoverable in cash or in kind or for value to be received			
Considered good	14934.10	14165.01	
Considered doubtful	153.17	166.83	
	15087.27	14331.84	
Less : Provision for doubtful advances	153.17	166.83	14165.01
Deposits			
Considered good	4647.94	4096.80	
Considered doubtful	70.91	65.14	
	4718.85	4161.94	
Less : Provision for doubtful deposits	70.91	65.14	4096.80
MAT Credit Entitlement	466.85		271.46
Balance in Escrow Account	2780.57		5475.44
Balances with Excise Authorities, Port Trust etc.	265.16		199.44
	<u>63084.83</u>	<u>206062.50</u>	

Notes:

Deposits include:

Rs. 2157.10 Lakhs (Rs 2276.96 Lakhs) deposited with NABARD in the Tea/ Coffee Development Account under section 33AB of the Income Tax Act, 1961.

Schedule 12**LIABILITIES**

Sundry Creditors	94933.60	89958.05
Interest accrued but not due	1721.94	3321.21
Pension Liabilities*	8457.13	8593.32
Other Liabilities	27944.90	27439.68
	<u>133057.57</u>	<u>129312.26</u>

Notes:

(*) Represents estimated pension liability for an overseas subsidiary payable over nine years.

Schedule 13**PROVISIONS**

Taxation less advance payments	8488.74	19680.72
Proposed Dividend	12367.97	10821.97
Tax on Dividend	2054.17	1839.19
	<u>22910.88</u>	<u>32341.88</u>

Schedule 14**DEFERRED TAXATION**

Deferred Tax Liability	12833.58	13785.28
Deferred Tax Asset	(5358.71)	(8947.94)
	<u>7474.87</u>	<u>4837.34</u>

Schedules

forming part of the Consolidated Profit and Loss Account

	2010	2009	Rs. in Lakhs
Schedule 15			
SALES & SERVICES			
Tea	438180.24	376760.47	
Coffee	129933.75	101251.07	
Pepper	1849.64	1050.34	
Cardamom	284.79	87.13	
Spices & Others	2909.08	150.29	
Timber (Net)	140.25	130.94	
Veneer/Plywood	725.04	813.57	
Trading Sales	2122.65	2232.74	
Mineral Water	1907.59	2199.43	
Services Rendered	334.33	218.49	
	<u>578387.36</u>		484894.47
Less : Excise Duty	(92.32)		(106.99)
	<u>578295.04</u>		<u>484787.48</u>
Schedule 16			
OTHER OPERATING INCOME			
Miscellaneous Receipts	1433.63	1423.85	
Liabilities no longer required written back	2262.15	1120.79	
Rent received	101.77	78.25	
	<u>3797.55</u>		<u>2622.89</u>
Schedule 17			
INVESTMENT INCOME			
Income from long term investments			
Interest	1040.99	317.43	
Dividend	1831.00	1877.79	
Dividend from current investments	510.10	941.34	
Profit on sale of current investments (net)	24.38	183.34	
	<u>3406.47</u>		<u>3319.90</u>
Schedule 18			
PURCHASES			
Tea	25508.69	17839.45	
Trading Goods	2088.65	1797.18	
	<u>27597.34</u>		<u>19636.63</u>
Schedule 19			
RAW MATERIALS CONSUMED			
Opening Stock	37953.26	25755.70	
Add : Purchases	220211.46	174636.01	
	<u>258164.72</u>		200391.71
Less : Closing Stock	52259.20		37953.26
	<u>205905.52</u>		<u>162438.45</u>

	2010	Rs. in Lakhs 2009
Schedule 20		
EXPENSES		
Salaries, Wages and Bonus *	56186.36	48563.43
Contribution to Provident Fund and other Funds	4057.49	4513.34
Workmen and Staff Welfare Expenses	2052.91	1946.24
Cultivation, Plucking and Manufacturing and Contract Packing Expenses	6733.23	5741.17
Consumption of Packing Materials	39791.13	35425.05
Consumption of Stores and Spare Parts	2149.39	1940.11
Power and Fuel	5862.73	5881.16
Repairs to Plant and Machinery	2261.48	2212.30
Repairs to Buildings	1064.74	958.22
General Repairs	1542.02	1072.19
Rent	4724.25	4109.65
Rates & Taxes	1610.92	1188.01
Advertisement and Sale Charges	98547.27	87885.08
Commission on Sales	8515.82	7978.19
Brokerage and Discount	27.31	130.98
Freight	15249.41	14180.96
Insurance	2147.44	1864.64
Miscellaneous Expenses**	27191.22	21363.23
Provision for Doubtful Debts and Advances	114.21	105.26
Diminution in value of Long Term Investments	-	333.54
Loss on sale of fixed assets	283.11	134.24
Debts and Advances written off ***	17.24	44.00
	<u>280129.68</u>	<u>247570.99</u>

* Excludes Rs. 535.21 Lakhs (Rs. 453.08 Lakhs) debited to other expenditure heads and includes net credit of Rs. 345.27 Lakhs (Rs. 201.88 Lakhs) relating to earlier years of the holding company.

** Includes Exchange Loss Rs. 846.71 Lakhs (Rs. 3922.19 Lakhs).

*** Net of provision for debts and advances written back Rs. 20.85 Lakhs (Rs. 0.97 Lakh).

	2010	2009	Rs. in Lakhs
Schedule 21			
(ACCRETION)/ DECRETION TO STOCK/ WORK IN PROGRESS			
Stock as at 1st April			
Tea	17366.33	16150.56	
Coffee	11919.57	6420.58	
Pepper	573.30	202.60	
Cardamom	24.97	0.32	
Spices & Others	24.83	64.72	
Veneer/Plywood	37.86	39.14	
Trading Stock	229.38	316.42	
Mineral Water	124.88	95.46	
Work-in-Progress	191.71	406.03	
	30492.83		23695.83
Stock as at 31st March			
Tea	22025.12	17366.33	
Coffee	11045.59	11919.57	
Pepper	466.92	573.30	
Cardamom	1.98	24.97	
Spices & Others	13.15	24.83	
Veneer/Plywood	16.95	37.86	
Trading Stock	263.09	229.38	
Mineral Water	125.51	124.88	
Work-in-Progress	238.54	191.71	30492.83
	(3704.02)		(6797.00)

Schedule 22

PROVISION FOR TAXATION

Income Tax *	24371.34	43113.82	
Fringe Benefit Tax	-	301.05	
Deferred Tax	381.21	(996.62)	
Wealth Tax	15.00	23.00	
	24767.55		42441.25

* Net of reversal of provisions relating to earlier year of the holding company Rs.166 lakhs (Nil).

Schedule 23

EXCEPTIONAL INCOME / (EXPENDITURE)

Income			
Exchange Gain (Refer Schedule 24, Note 7)	-	81879.67	
Profit on sale of long-term Investments	18604.52	513.72	
	18604.52		82393.39
Expenditure			
Re-organisation costs	(2012.06)	(2376.12)	
Exchange Loss (Refer Schedule 24, Note 7)	(10217.65)	-	
Expenses on new business initiatives	-	(594.93)	
Actuarial (Loss)/Gain on defined benefit schemes for overseas subsidiary	(4002.20)	(5487.20)	
Amortisation of expenditure on employee separation scheme	(759.53)	(897.39)	(9355.64)
	1613.08		73037.75

Schedule 24

1. Significant Accounting Policies

a) Basis of Consolidation

The consolidated financial statements comprises of the financial statements of Tata Tea Ltd. (the Holding Company), its Subsidiaries and Associates. The consolidated financial statements are prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements", Accounting Standard 23 on "Accounting for Associates in Consolidated Financial Statements" and Accounting Standard 27 on "Financial Reporting of Interests in Joint Ventures".

The consolidated financial statements are prepared on the following basis:

(i) Investment in Subsidiaries

- The financial statements of the Holding Company and its subsidiary companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances, intra-group transactions and unrealized profits or losses thereon have been fully eliminated.
- The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Holding Company.
- The excess value of the consideration given over the net value of the identifiable assets acquired in the subsidiary companies is recognized as goodwill/capital reserve. Goodwill disclosed under fixed assets is not amortized but is, however, tested for impairment.
- Joint ventures of subsidiaries have been accounted for by the subsidiaries in their consolidated financial statements using the proportionate consolidation method whereby a venturer's share of each of the assets, liabilities, income and expenses of the jointly controlled entity is accounted for on a pro-rata basis.

(ii) Investment in Associates

- Investments in associates have been accounted for using the equity method whereby the investment is initially recorded at cost and adjusted thereafter for post acquisition change in the Holding Company's share of net assets. The difference between the cost of acquisition and the Holding Company's share of equity of the associates on the respective dates of acquisition is recognized as goodwill/capital reserve. Goodwill disclosed under fixed assets is not amortized but is, however, tested for impairment.

b) i) The subsidiaries and associates considered in the consolidated financial statements are:

Name of Subsidiaries	Country of Incorporation	Voting power held as at 31.03.2010	Effective voting power held as at 31.03.2010 by the holding company
Tata Tea GB Ltd. (48.73% through subsidiaries)	U K	78.79%	78.79%
Subsidiaries consolidated			
Tetley Group Holdings Ltd.	U K	100.00%	78.79%
The Tetley Group Ltd.	U K	100.00%	78.79%
Tetley (GB) Ltd.	U K	100.00%	78.79%
Tetley Overseas Holdings Ltd.	U K	100.00%	78.79%
Tetley Overseas Ltd.	U K	100.00%	78.79%
Lyons Tetley Ltd.	U K	100.00%	78.79%
Tetley US Holdings Inc.	USA	100.00%	78.79%
Tetley USA Inc.	USA	100.00%	78.79%
Tetley Canada Inc.	Canada	100.00%	78.79%
Tetley Australia Pty Ltd.	Australia	100.00%	78.79%
Stansand Ltd.	U K	100.00%	78.79%
Stansand (Brokers) Ltd.	U K	100.00%	78.79%
Stansand (Africa) Ltd.	Kenya	100.00%	78.79%

Schedule 24 (Continued)

Name of Subsidiaries	Country of Incorporation	Voting power held as at 31.03.2010	Effective voting power held as at 31.03.2010 by the holding company
Stansand (Central Africa) Ltd.	Malawi	100.00%	78.79%
Tetley Polska sp.zo.o	Poland	100.00%	78.79%
Drassington Ltd.	U K	95.00%	74.85%
Good Earth Corporation	USA	100.00%	78.79%
Good Earth Teas Inc (formerly known as F Mali Herb Inc.)	USA	100.00%	78.79%
Teapigs Ltd.	U K	100.00%	78.79%
Jemca a.s.	Czech Republic	100.00%	78.79%
Tata Tea (GB) Investments Ltd.	U K	100.00%	78.79%
Campestres Holdings Ltd.	Cyprus	100.00%	78.79%
Kahutara Holdings Ltd.	Cyprus	65.00%	51.21%
Suntyno Holding Ltd.	Cyprus	51.00%	26.11%
Onomento Co. Ltd.	Cyprus	100.00%	26.11%
OOO Tea Trade LLC	Russia	100.00%	26.11%
OOO Suntyn LLC	Russia	100.00%	26.11%
Joint ventures of Tata Tea (GB) Ltd. Consolidated			
Tetley ACI (Bangladesh) Ltd.	Bangladesh	50.00%	39.40%
Empirical Group LLC	USA	56.00%	44.12%
Southern Tea LLC	USA	50.00%	39.40%
Tetley Clover (Pvt.) Ltd.	Pakistan	50.00%	39.40%
Joekels Tea Packers (Proprietary) Ltd.	South Africa	33.33%	26.26%
Tata Tea (GB) Capital Ltd.	U K	100.00%	100.00%
Tata Coffee Ltd.	India	57.48%	57.48%
Subsidiaries consolidated			
Consolidated Coffee Inc.*	USA	50.08%	78.70%
Subsidiary company			
Eight O'Clock Coffee Company*	USA	50.08%	78.70%
Alliance Coffee Ltd.	India	51.00%	29.31%
Joint venture of Tata Coffee Ltd. consolidated			
Tata Coffee (Uganda) Ltd.	Uganda	50.00%	28.74%
Tata Tea Inc.	USA	100.00%	100.00%
Zhejiang Tata Tea Extraction Company Limited	China	70.00%	70.00%
Tata Tea Holdings Private Limited	India	100.00%	100.00%
Mount Everest Mineral Water Limited	India	40.92%	40.92%
Name of Associates			
Estate Management Services Pvt. Ltd.	Sri Lanka		49.00%
Watawala Plantations Ltd.	Sri Lanka		28.79%
(Subsidiary of Estate Management Services Pvt. Ltd.)			
Amalgamated Plantations Private Ltd.	India		49.07%
Rallis India Ltd. (upto 19.08.2009)	India		24.52%
Rallis Australasia Pty. Ltd. (upto 19.08.2009)	Australia		24.52%

* The effective voting power is after considering 49.92% held by the holding company and its overseas subsidiary Tata Tea (GB) Capital Ltd.

Schedule 24 (Continued)

- i) The holding company has purchased an additional 4.93% stake in Mount Everest Mineral Water Limited (MEMWL) from the market thereby increasing the stake of the holding company to 40.92%. As in previous year and in accordance with the Articles of Association of MEMWL and shareholders' agreement with its promoters the holding company controls the composition of the Board of Directors of MEMWL and based on a legal opinion received, MEMWL has been considered as a subsidiary and is consolidated.
- ii)
 - a) With effect from 1 September 2009, Tata Tea (GB) Limited through its subsidiary acquired 51% stake in the consolidated group of Suntyco Holding Limited (Russian Beverage Company) comprising of Onomento Co. Limited, OOO Sunty LLC and OOO Tea Trade LLC, operating out of Russia (known as "Grand"). Accordingly, the results for the Russian Beverage Company has been consolidated for 7 months as a subsidiary in the results.
 - b) Campestres Ltd. (the shareholder) and Tata Tea (GB) Investments Ltd (the sponsorer) (both subsidiaries of Tata Tea (GB) Ltd.) has entered into a put/call agreement with European Bank of Reconstruction and Development (EBRD) for purchase of its 35% (3500 shares) stake in Kahutara Holdings Limited which invested in the Suntyco Holding Ltd. In terms of the agreement EBRD will have the right to exercise a put option on the 'shareholder', failing him, the 'sponsorer', who will be obliged to purchase all the shares held by EBRD at fair market value after 8 years from the subscription date. Conversely, the 'shareholder' also has the right to exercise a call option on all the shares held by EBRD at the end of the stipulated 8 years at fair market value. The stipulated time period of 8 years may be bought forward if certain events as per the agreement are triggered.
 - c) Kahutara Holdings Limited a 65% subsidiary of Tata Tea (GB) Limited, which holds 51% in Suntyco Holding Limited (the holding Company for Russian beverage business) has an irrevocable call option and Celeste Assets (Seller) has an irrevocable put option to buy/sell the balance 49% shares of the Seller in Suntyco Holding Limited, which can be exercised in full in March 2012 or March 2013 or March 2014. The put and call option price is based on an agreed formula linked to the past cash profits.
- iii) The holding company had entered into a put option agreement with International Finance Corporation (IFC) in relation to their investment in Amalgamated Plantations Private Limited (APPL). In terms of the said agreement, IFC has the right to exercise a put option whereby the holding company is obliged to purchase a maximum of 30 million shares in APPL, if certain conditions or events stipulated in the said agreement do not occur.
- iv) The holding company had entered into a put option agreement with two erstwhile promoters of Mount Everest Mineral Water Limited (MEMW) in relation to their investments in MEMW. In terms of the said agreement, the two erstwhile promoters have the right to exercise a put option whereby the holding company is obliged to purchase a maximum of 3.11 million shares in MEMW, if certain conditions or events stipulated in the said agreement do not occur.
- c) **Accounting Convention**
The financial statements have been prepared in accordance with the historical cost convention.
- d) **Fixed Assets and Depreciation**
Fixed Assets are carried at cost of acquisition less depreciation. Impairment loss, if any, ascertained as per the Accounting Standard-28 (Impairment of Assets) issued by the Institute of Chartered Accountants of India is recognized. The cost of extension planting of cultivable land including cost of development is capitalized.

Assets acquired on hire purchase, for which ownership will vest at a future date, are capitalized at cash cost. Depreciation on fixed assets, including assets created on lands under lease is provided under straight-line method over the remaining useful life of the asset except for certain assets amounting to Rs. 10949.04 Lakhs (Gross Block) of an Indian subsidiary, in respect of which depreciation is provided under written down value method (accumulated depreciation Rs 4359.74 Lakhs). In one of the subsidiary, the assets having value lower than Rs. 0.14 Lakh are provided at 100% depreciation once they are put to use. The premium paid for leasehold land is amortized over the lease period except for perpetual lease where renewal is assumed consistent with past practice. Leasehold buildings are depreciated over the remaining term of the lease. Expenditure on software and related implementation costs capitalized are amortized on a straight line basis over its estimated useful life and generally does not exceed 10 years.

Non-compete fees paid by the holding company in connection with business acquisition is being amortized on a straight line basis over a period of ten years.

Schedule 24 (Continued)

Intangible assets are amortized over their estimated useful life on a straight line basis except in case of brands acquired by an overseas subsidiary which have not been amortized as the directors of that subsidiary have concluded that the brands have an indefinite useful life, on account of the strength of the brands acquired and their market positions and is annually tested for impairment.

Subsidies receivable from government in respect of fixed assets are deducted from the cost of respective assets as and when they accrue.

- e) **Leases**
Rentals in respect of operating leases are charged off to profit and loss account.
- f) **Borrowing Costs**
Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized. The other costs are charged to the profit and loss account. Borrowing costs include amortisation of issue/ancillary costs relating to borrowings and in the case of relevant overseas subsidiaries such costs relating to borrowings are being amortized at a constant rate on the carrying amount over the expected term of the borrowing. The costs incurred for obtaining finance are deferred and amortised using the effective interest method over the life of the related financing agreements and charged to interest expenses in one of the overseas subsidiary.
- g) **Investments**
Investments of a long-term nature are stated at cost, less adjustment for any diminution, other than temporary, in the value thereof. Current investments are stated at lower of cost or market value.
- h) **Inventories**
Inventories are stated at cost or net realizable value whichever is lower except for an Indian subsidiary, where stores and spare parts and raw materials are valued at cost and certain minor products at realizable value and another Indian subsidiary where packing material, stores and spare parts and raw materials are valued at cost. In an overseas associate produced stock are valued at cost.

Cost is determined on weighted-average/FIFO method for all categories of inventories other than for auction bought teas in which case cost is considered as actual cost for each line. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and includes, where applicable, appropriate overheads based on the normal level of activity. Provision is made for obsolete, slow-moving and defective stocks, where necessary.
- i) **Foreign Currency Transactions**
Transactions in foreign currency are recorded at average weekly/ fortnightly spot rates or the exchange rate applicable on the transaction date. Exchange difference resulting from settled transactions are adjusted in the Profit and Loss Account. In one of the Indian subsidiary Current Assets and Liabilities covered by Forward cover are stated at forward cover rates and resulting exchange differences adjusted in the Profit and Loss Account. Year end balances of monetary items are restated at the year end exchange rates and the resultant net gain or loss is adjusted in the Profit and Loss Account.

The income and expenditure of overseas subsidiaries are translated at the average of month end exchange rates. Year-end balances of all assets and liabilities are restated at the year-end exchange rates. Exchange differences arising on retranslation at year-end exchange rates, of the net investment in foreign undertakings, are taken to reserves.
- j) **Sales and Services**
 - i. Sales are recognized on passing of property in goods i.e. delivery as per terms of sale or on completion of auction in case of auction sale.
 - ii. In the case of an overseas subsidiary, sales are recognized when risk of loss and title have transferred to customer, which is typically upon receipt of the product by the customer. Provisions for sales returns and other allowances are recorded based on past experience.
 - iii. Fees and income from services are accounted as per terms of relevant arrangements.
- k) **Other Income**
Export incentives, interest income and income from investments etc. are accounted on accrual basis.

Schedule 24 (Continued)

- l) **Replanting/Rejuvenation**
Cost of replanting/rejuvenating tea/ coffee bushes/ fuel trees is charged to revenue.

Related Tea/ Coffee Board subsidies are accrued as other income on obtaining approval from Tea/ Coffee Board.
- m) **Compensation of Land**
Compensation, if any, in respect of land surrendered/vested in Governments under various State Land Legislations in India is accounted for as and when received.
- n) **Employee Benefits**
- (i) **Post retirement employee benefits:**

Contribution to post retirement benefits like Provident Fund, Defined Contribution Superannuation Schemes and other defined contribution schemes are accounted for on accrual basis by the Group.

Liabilities for Defined Benefit plans like Gratuity, Superannuation schemes and Post retiral Medical Benefits are determined through independent year end actuarial valuation and charge is recognized in the books.

The Group recognizes in the profit and loss account, gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.
- (ii) **Other Employee Benefits:**

Other employee benefits are accounted for on accrual basis. Liabilities for Compensated absences are determined based on independent year end actuarial valuation and charge is recognized in the profit and loss account for the holding company and its Indian subsidiaries. Short-term Employee Benefits are recognized on an undiscounted basis whereas Long-term Employee Benefits are recognized on a discounted basis.
- (iii) With regard to overseas subsidiaries and associates, liabilities for retirement benefits are determined as per the regulations and principles followed in the respective countries. Defined benefit obligation of overseas subsidiaries accounted for in the reserves in its financial statements, in compliance with the local generally accepted accounting principles, are recognized in the Group Profit and Loss Account. The structural differences in the overseas pension schemes and the relative size of the overseas operations results in significant volatility in amounts recognized in the Profit and Loss Account.
- o) **Research and Development**
Research and Development expenditure of revenue nature is charged to revenue and capital expenditure is treated as fixed assets.
- p) **Deferred Taxation**
Provision for deferred taxation is made using the liability method, on all timing differences to the extent that it is probable that a liability or asset will crystallize. As at the balance sheet date, unless there is evidence to the contrary of management's expectation of future profits for set off, deferred tax assets pertaining to business loss are only recognized to the extent that there are deferred tax liabilities offsetting them.
- q) **Miscellaneous Expenditure to the extent not written off or adjusted**
Payments to employees who have opted for the Employee Separation Scheme (ESS) along with additional liabilities towards retirement benefits arising pursuant to the ESS are amortized over a period of sixty months but not later than April 1, 2010.
- r) **Financial Instruments**
Premium or discount on forward contracts where there are underlying assets/liabilities are amortised over the life of the contract. Such foreign exchange forward contracts are revalued at the balance sheet date and the exchange differences between the spot rate at the date of the contract and the spot rate on the balance sheet date is recognized as gain/loss in the profit and loss account.

Foreign currency forward contracts and options are also used to hedge its risk associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Group designates these hedging instruments as cash flow hedges.

Hedging instruments are initially measured at fair value and re-measured at subsequent reporting dates. Gain or loss of the fair value of hedging instrument in respect of effective portion of the cash flow hedges are recognized in the hedging reserve account. The portion of the gain or loss on the hedging instruments if determined to be an

Schedule 24 (Continued)

ineffective cash flow hedge is recognized in the profit and loss account. Fair value hedges are marked to market on the balance sheet date and gain or loss recognized in the profit and loss account.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2010 aggregated **Rs. 1882.36 Lakhs** (Rs 3068.89 Lakhs).

3. **Contingent Liabilities not provided for in respect of:**

- a) Bills discounted and remaining unpaid as at March 31, 2010 aggregated **Nil** (Rs 195.63 Lakhs).
- b) Claims under adjudication not acknowledged as debts:

Rs. in Lakhs

	2010	2009
i. Taxes, Statutory Duties/ Levies etc.	1040.20	2074.39
ii. Commercial and other Claims	592.05	475.86
c) Labour disputes under adjudication relating to some staff – amount not ascertainable for holding company and Rs. 283.59 Lakhs (Rs 241.25 Lakhs) for an Indian subsidiary.		
d) In the case of an overseas subsidiary there are contingent liabilities in respect of forward exchange contracts, operating leases, outstanding letters of credit and financing arrangements of joint ventures. All of these arrangements have been undertaken in the normal course of trade. Because the value of many of these liabilities is dependent on future market price movements, the directors believe that it is not practically possible to provide an estimate of the Group's potential liability under such arrangements. Moreover, there are certain litigations, relating principally to the USA. The directors of the overseas subsidiary believe that adequate provision has been made in the accounts for any potential costs and expect no material effect on the net asset position of the Group.		
e) Guarantee given in connection with acquisition of an Indian subsidiary company – Nil (Rs 300.00 Lakhs); Guarantee given to the lender of a subsidiary Rs. 5990.57 Lakhs (Rs. Nil).		
f) Bank and other guarantees – include Counter guarantee given by the holding company on behalf of an Indian Associate Company Rs. 34.94 Lakhs (Rs. 52.69 Lakhs).		

4. **Research and Development Expenditure:**

Rs. in Lakhs

	2010	2009
Capital	64.45	57.78
Revenue	817.84	956.16
Total	882.29	1013.94

5. **Disclosure in respect of operating leases:**

Rs. in Lakhs

	2010	2009
Total minimum lease payments under Non-cancellable operating lease	11663.08	14790.98
Within One Year	2308.64	2719.71
Later than one year and not later than five years	5939.77	6865.76
Later than five years	3414.67	5205.51
Lease payments recognized in the statement of Profit/Loss	3343.13	3797.74

An overseas subsidiary has taken on lease office/factory buildings and the leases expire between 2010 and 2023. The Holding Companies leasing arrangement are in respect of operating leases for premises (residential, office, godown) and motorcars. These leasing arrangements which are cancellable ranges between 5 months to 5 years and are usually renewable on mutually agreed terms.

6. a) Basic and Diluted Earnings per Share (EPS) has been computed with reference to net profits attributable to equity shareholders of **Rs. 39030.13 Lakhs** (Rs 70054.64 Lakhs) and the weighted average equity shares outstanding (Nominal value – Rs 10 per share) at the end of the year of **618.40 Lakh shares** (618.40 Lakh shares).

Schedule 24 (Continued)

- b) The Board of Directors has approved subdivision of Equity shares of the company from Rs 10 per share to Re. 1 per share which is, however, subject to the approval of Shareholders and other concerned authorities. Approval of the shareholders is being sought through postal ballot for which notices have already been dispatched.
7. During the previous year, an overseas subsidiary recorded an exchange gain of Rs. 81879.67 Lakhs on foreign currency assets/options. The exchange loss of **Rs. 10217.65 Lakhs**, during the year, represents part reversal of previous year's gains.
8. The major components of the Deferred Tax Assets/Liabilities, based on the tax effect of the timing differences, as at March 31, 2010 are as under:

	Rs. in Lakhs	
	2010	2009
Deferred Tax Liabilities		
Depreciation	12476.23	12866.84
Others	357.35	918.44
	<u>12833.58</u>	<u>13785.28</u>
Deferred Tax Assets		
Provision for Doubtful Debts/Advances	373.59	324.45
Other Assets	4962.76	7607.89
Carry forward agricultural income tax loss	22.36	404.00
Accrued promotions & repairs	-	611.60
	<u>5358.71</u>	<u>8947.94</u>

9. The proportionate share of the assets, liabilities, income and expenditure of the joint venture of subsidiary companies (refer Note 1(b) above) included in these consolidated financial statements are given below:

Schedule 24 (Continued)**Balance Sheet as at March 31, 2010**

		Rs. in Lakhs
	2010	2009
SOURCES OF FUNDS		
Shareholders' Funds - Reserves & Surplus	3035.02	2221.66
Loan Funds		
Secured Loans	1009.99	1650.20
Unsecured Loans	89.83	101.98
Deffered Tax Liability	4.49	3.90
Total	4139.33	3977.74
APPLICATION OF FUNDS		
Fixed Assets		
Gross Block	1162.72	1241.97
Depreciation till date	(712.93)	(623.97)
Net Block	449.79	618.00
Capital Work-in-Progress	244.62	117.39
	694.41	735.39
Current Assets, Loans and Advances		
Inventories	3141.00	3452.73
Sundry Debtors	1855.10	1718.97
Cash and Bank balances	(176.11)	233.17
Other Current Assets	251.53	305.33
	5071.52	5710.20
Current Liabilities and Provisions		
Liabilities	2101.45	3252.83
Provisions	(474.85)	(784.58)
	1626.60	2468.25
Net Current assets	3444.92	3241.95
Miscellaneous Expenditure to the extent not written off or adjusted	-	0.40
Total	4139.33	3977.74

Profit and Loss Account for the year ended March 31, 2010

		Rs. in Lakhs
	2010	2009
INCOME		
Sales and Services	33341.84	28027.24
EXPENSES		
Purchases	8948.61	7205.20
Raw Materials Consumed	9719.71	8393.96
Expenses	11505.18	9980.74
Depreciation	170.72	160.97
(Accretion)/Decretion to Stock	-	(254.46)
Total Expenses	30344.22	25486.41
Profit before Tax and Exceptional Items	2997.62	2540.83
Exceptional Items	15.65	(18.79)
Profit before Tax	3013.27	2522.04
Provision for Taxation	69.08	26.14
Profit after Tax	2944.19	2495.90

Schedule 24 (Continued)**10. a) Consolidated Related Party Disclosure**

Particulars of transactions during the year ended March 31, 2010

					Rs. in Lakhs
Nature of Transactions		Associates/ Joint Ventures	Promoter	Key Management Personnel/ Relatives	Total
Sale of Goods and Services		69.24	-	-	69.24
		-	-	-	-
Purchase of Goods and Services		21846.42	-	8.32	21854.74
		(19351.85)	-	(10.11)	(19361.96)
Rent Paid		-	21.96	-	21.96
		-	(25.22)	-	(25.22)
Other Expenses		692.08	808.68	-	1500.76
		(732.56)	(773.10)	-	(1505.66)
Deposits Given		-	144.00	-	144.00
		-	(250.00)	-	(250.00)
Directors Remuneration		-	-	2443.03	2443.03
		-	-	(1658.98)	(1658.98)
Dividend Paid		-	2719.14	0.13	2719.27
		-	(5500.58)	(0.27)	(5500.85)
Investments Redeemed		10414.92	-	-	10414.92
		-	-	-	-
Investments Made		15682.02	-	0.25	15682.27
		(6700.00)	-	-	(6700.00)
Dividend/Interest Received		1940.92	122.85	-	2063.77
		(3031.29)	(122.85)	-	(3154.14)
Balances Outstanding	Debit	90.57	-	-	90.57
		(29865.02)	-	-	(29865.02)
	Credit	1328.15	308.19	95.00	1731.34
		(1313.97)	(350.97)	(90.00)	(1754.94)

Schedule 24 (Continued)

Related Parties

Promoter

Tata Sons Ltd.

Associates

Rallis India Ltd. (till August 19, 2009)
Estate Management Services Pvt. Ltd.
Amalgamated Plantations Pvt. Ltd.

Subsidiary of an Associate

Rallis Australasia Pty. Ltd. (till August 19, 2009)
Watawala Plantations Ltd

Joint Ventures of Subsidiary

Tetley ACI (Bangladesh) Limited
Empirical Group LLC, USA
Southern Tea LLC, USA
Tetley Clover Pvt Ltd, Pakistan
Joekels Tea Packers Proprietary Ltd.
(South Africa)
Tata Coffee (Uganda) Ltd.

Key Management Personnel

Mr. P. T. Siganporia - Managing Director, Tata Tea Ltd.
Mrs. Sangeeta Talwar - Executive Director, Tata Tea Ltd.
Mr. M. H. Ashraff - Managing Director, Tata Coffee Ltd. (till 02.01.2010)
Mr. Hameed Huq - Managing Director, Tata Coffee Ltd.
Mr. A. Sengupta - Executive Director, Tata Coffee Ltd. (upto 01.01.2010)
Mr. P. D. Unsworth, Director & CEO, Tata Tea (GB) Ltd.
Mr. J. R. Nicholas, Director, Tata Tea (GB) Ltd
Mr. L. Krishna Kumar, Director & Group CFO, Tata Tea (GB) Ltd.
Mr. A. Bhardwaj, Director, Zhejiang Tata Tea Extraction Co Ltd.
Mr. S. Ravi, Director, CEO, Tata Tea Inc.
Mr. Pradeep Poddar, Managing Director, Mount Everest Mineral Water Ltd.
Ms. Abanti Sankarnarayanan, Director, Mount Everest Mineral Water Ltd.

Relative of Key Management Personnel

Ms. Farah Ashraff (Daughter of Mr. M. H. Ashraff)
Salary paid as an employee.

10. b) Disclosures in respect of transactions in excess of 10% of the total related party transactions of the same type

			Rs. In Lakhs	
			2010	2009
1.	Sale of Goods and Services	Southern Tea LLC, USA	45.60	-
		Tetley Clover Pvt. Ltd., Pakistan	23.64	-
2.	Purchase of Goods and Services	Amalgamated Plantations Pvt. Ltd.	21666.07	19312.37
3.	Rent Paid	Tata Sons Ltd.	21.96	25.22
4.	Other Expenses (Net)	Tata Sons Ltd.	473.74	773.10
		Amalgamated Plantations Pvt. Ltd.	692.08	732.56
5.	Dividend Paid	Tata Sons Ltd.	2465.26	5500.58
6.	Investments Redeemed	Amalgamated Plantations Pvt. Ltd.	10414.92	-
7.	Investments Made	Amalgamated Plantations Pvt. Ltd.	15682.02	6700.00
8.	Deposits Given	Tata Sons Ltd.	144.00	250.00
9.	Dividend and Interest Received	Amalgamated Plantations Pvt. Ltd.	1301.95	2405.03
		Rallis India Ltd.	590.77	560.19

Schedule 24 (Continued)**11. Consolidated Segment Reporting****By Business Segments:**

	Tea	Coffee and Other Produce	Others	Un allocated	Rs. in Lakhs Total
Sales Revenue from external customers	438454.13 (376708.88)	133734.53 (104019.88)	6106.38 (4058.72)	- -	578295.04 (484787.48)
Other Segment revenue	2771.81 (1805.84)	866.44 (692.39)	25.98 (29.43)	133.32 (95.23)	3797.55 (2622.89)
Total Segment Revenue	441225.94 (378514.72)	134600.97 (104712.27)	6132.36 (4088.15)	133.32 (95.23)	582092.59 (487410.37)
Add: Investment Income	- -	- -	- -	3406.47 (3319.90)	3406.47 (3319.90)
Total Revenue	441225.94 (378514.72)	134600.97 (104712.27)	6132.36 (4088.15)	3539.79 (3415.13)	585499.06 (490730.27)
Segment Result	57390.92 (52895.48)	23969.52 (14662.84)	(1398.94) ((3233.03))	- -	79961.50 (64325.29)
Add: Investment Income	- -	- -	- -	3406.47 (3319.90)	3406.47 (3319.90)
Add: Unallocable (expenditure) net of income	- -	- -	- -	(18089.76) ((9632.4))	(18089.76) ((9632.4))
Less: Interest (net)	- -	- -	- -	(2793.01) ((5419.52))	(2793.01) ((5419.52))
	57390.92 (52895.48)	23969.52 (14662.84)	(1398.94) ((3233.03))	(17476.30) ((11732.02))	62485.20 (52593.27)
Exceptional Income/(Expenditure)	- -	- -	- -	1613.08 (73037.75)	1613.08 (73037.75)
Profit before Tax	57390.92 (52895.48)	23969.52 (14662.84)	(1398.94) ((3233.03))	(15863.22) (61305.73)	64098.28 (125631.02)
Provision for Taxation	- -	- -	- -	24767.55 (42441.25)	24767.55 (42441.25)
Profit after Taxation before Share of Results of Associates and Minority Interest	57390.92 (52895.48)	23969.52 (14662.84)	(1398.94) ((3233.03))	(40630.77) (18864.48)	39330.73 (83189.77)
Share of net Profits of Associates	3303.84 (2493.22)	- -	- -	- -	3303.84 (2493.22)
Profit after Taxation before Minority Interests	60694.76 (55388.70)	23969.52 (14662.84)	(1398.94) ((3233.03))	(40630.77) (18864.48)	42634.57 (85682.99)
Segment Assets	372812.37 (363923.63)	179010.42 (174023.87)	3254.90 (3157.48)	- -	555077.69 (541104.98)
Investments	- -	- -	- -	51911.32 (35130.41)	51911.32 (35130.41)
Unallocated Assets	- -	- -	- -	214170.09 (300083.41)	214170.09 (300083.41)
Total Assets	372812.37 (363923.63)	179010.42 (174023.87)	3254.90 (3157.48)	266081.41 (335213.82)	821159.10 (876318.80)
Segment Liabilities	103700.40 (84849.85)	25835.11 (20789.97)	1121.84 (820.98)	- -	130657.35 (106460.80)
Unallocated Liabilities	- -	- -	- -	212464.45 (303137.78)	212464.45 (303137.78)
Total Liabilities	103700.40 (84849.85)	25835.11 (20789.97)	1121.84 (820.98)	212464.45 (303137.78)	343121.80 (409598.58)
Capital Expenditure	9494.32 (3624.40)	1931.67 (1930.44)	159.60 (265.97)	- (342.48)	- (342.48)
Depreciation and Amortisation	5943.65 (6028.23)	3633.74 (2994.40)	304.83 (202.49)	410.11 (643.62)	- (643.62)
Amortisation of expenditure on employee separation scheme	135.62 (135.62)	- -	- -	623.91 (761.77)	623.91 (761.77)
Non-Cash Expenditure other than depreciation and amortisation	1.30 ((16.43))	10.96 (27.80)	97.48 (126.06)	21.71 (11.83)	- -

Schedule 24 (Continued)

By Geographical Segments:

	India	UK	USA & Canada	Rest of the World	Rs. in Lakhs Total
Sales Revenue	169809.22 (150816.83)	147689.23 (123942.34)	176852.55 (144671.83)	83944.04 (65356.48)	578295.04 (484787.48)
Segment Assets	207034.57 (208418.15)	220489.73 (223986.26)	79026.00 (83878.07)	48527.39 (24822.50)	555077.69 (541104.98)
Purchase of Fixed Assets	3141.37 (2190.37)	2848.74 (1766.91)	1454.36 (1808.82)	4141.12 (54.72)	11585.59 (5820.82)

Notes:

- a. Business Segments : The internal business segmentation and the activities encompassed therein are as follows:
 - Tea : Cultivation & manufacture of black tea and instant tea, tea buying/blending and sale of tea in bulk or value added form.
 - Coffee and Other Produce : Growing of coffee, pepper and other plantation crops and conversion of coffee into value added products such as roast and ground coffee & instant coffee.
 - Others : Sale of natural mineral water, other minor crops, curing operations of coffee and trading of items required for coffee plantations.
- b. Geographical segments : Segmentation is on the basis of the geographical location of the customers.
- c. The segment wise revenue, results, assets and liabilities figures relate to the respective amounts directly identifiable to each of the segments. Unallocable expenditure include expenses incurred on common services at the corporate level, interest and exceptional items unallocable income includes income from investments & exceptional items.
- d. Pricing of inter segment transfers are based on benchmark market prices.

12. Amounts recognized in the Balance Sheet are as follows:

The Group operates defined contribution schemes like provident fund and defined contribution superannuation schemes. For these schemes, contributions are made by the Group, based on current salaries, to funds maintained by the Group and for certain categories contributions are made to State Plans. For certain schemes contributions are also made by the employees. An amount of **Rs. 3272.24 Lakhs** (Rs. 1878.44 Lakhs) has been charged to the Profit and Loss Account on account of defined contribution schemes.

The Group also operates defined benefit schemes like retirement gratuity, defined superannuation benefits and post retirement medical benefits. The superannuation benefits and medical benefits are restricted to certain categories of employees. The defined benefit schemes offer specified benefits to the employees on retirement. Annual actuarial valuations are carried out by independent actuaries. Wherever funds have been set up, annual contributions are also made by the Group. Employees are not required to make any contribution.

	Rs. in Lakhs								
	Pension			Gratuity			Medical		
	2010	2009	2008	2010	2009	2008	2010	2009	2008
Present value of funded obligation	63313.23	53360.70	63365.27	4217.93	4116.08	3405.02	-	-	-
Fair Value of Plan Assets	51628.58	41383.12	54466.42	4054.69	3197.45	3183.59	-	-	-
	11684.65	11977.58	8898.85	163.24	918.63	221.43	-	-	-
Present Value of Unfunded obligation	677.50	336.91	371.58	-	-	-	2798.31	2472.52	2060.22
Amount not recognized as an asset (limit in Para 59 (b) of AS -15)	40.53	6.29	-	-	-	0.45	-	-	-
Net Liability	12402.68	12320.78	9270.43	163.24	918.63	221.88	2798.31	2472.52	2060.22

Schedule 24 (Continued)

Amounts recognized in the Profit and Loss Account and charged to Contribution to Provident Fund and other Funds, Workmen and Staff, Welfare Expenses and Insurance are as follows:

	Pension			Gratuity			Medical		
	2010	2009	2008	2010	2009	2008	2010	2009	2008
Current Service Cost	110.01	-	-	218.52	194.59	154.88	94.54	64.06	73.39
Interest on obligation	3753.18	3578.16	3599.47	312.80	268.85	232.13	184.49	157.77	165.04
Expected Return on plan assets	(3031.64)	(3411.31)	(4139.36)	(287.89)	(270.23)	(256.06)	-	-	-
Net actuarial loss/ (gain) recognized during the year	3578.13	5521.47	2581.78	(62.00)	725.15	125.68	134.39	428.94	(112.49)
Other Credits	-	-	(94.31)	-	-	(44.80)	-	-	-
Effects of the limit in Para 59(b)	34.24	6.29	-	-	(0.45)	0.45	-	-	-
Total recognized in Profit and Loss Account	4443.92	5694.61	1947.58	181.43	917.91	212.28	413.42	650.77	125.94

Reconciliation of opening and closing balances of the present value of the obligations:

	Pension			Gratuity			Medical		
	2010	2009	2008	2010	2009	2008	2010	2009	2008
Opening defined benefit obligation	53697.61	63736.85	71636.60	4116.08	3405.02	5896.78	2472.52	2060.22	1983.23
Current Service Cost	110.01	-	-	218.52	194.59	154.88	94.54	64.06	73.39
Interest Cost	3753.18	3578.16	3599.47	312.80	268.85	232.13	184.49	157.77	165.04
Actuarial loss/(gain)	14014.52	(5968.94)	(2882.26)	35.98	693.58	205.53	134.39	428.94	(112.49)
Liabilities extinguished on settlements	-	(159.85)	(454.28)	-	-	-	-	-	-
Liabilities assumed on Acquisition/(settled on Divestiture) etc.	-	-	(429.04)	-	-	(2791.32)	-	(165.59)	-
Exchange Rate Variation	(4885.59)	(5361.22)	(4909.52)	-	-	-	-	-	-
Benefits Paid	(2699.00)	(2127.39)	(2824.12)	(465.45)	(445.96)	(292.98)	(87.63)	(72.88)	(48.95)
Closing Defined Benefit Obligation	63990.73	53697.61	63736.85	4217.93	4116.08	3405.02	2798.31	2472.52	2060.22

Reconciliation of opening and closing balances of the fair value of plan assets:

	Pension			Gratuity		
	2010	2009	2008	2010	2009	2008
Opening fair value of plan assets	41383.12	54466.42	61158.88	3197.45	3183.59	5727.95
Expected Return on plan assets	3031.64	3411.31	4139.36	287.89	270.23	256.06
Actuarial gain/ (loss)	10436.39	(11490.41)	(5464.04)	97.98	(31.57)	79.85
Asset distributed on settlement	-	(159.85)	(454.28)	-	-	-
Transferred to Active staff DC Account Opening Balance	(223.08)	-	-	-	-	-
Contribution/(Withdrawal) by employer	3351.68	1834.27	2050.56	936.82	221.16	204.03
Assets acquired on Acquisition / (settled on Divestiture)	-	-	-	-	-	(2791.32)
Exchange Rate Variation	(3700.79)	(4584.41)	(4171.57)	-	-	-
Benefits Paid	(2650.38)	(2094.21)	(2792.49)	(465.45)	(445.96)	(292.98)
Closing Fair value of Plan Assets	51628.58	41383.12	54466.42	4054.69	3197.45	3183.59
Actual Return on Plan Assets	13468.03	(8079.10)	(1324.68)	385.87	238.66	335.91

Schedule 24 (Continued)

Major Categories of Plan Assets as a percentage of fair value of the total plan assets:

	2010	2009	2008
Govt of India Securities	0%	0%	1%
Equity	43%	37%	38%
Bonds	38%	41%	34%
Insurance managed Funds	9%	10%	14%
Property	9%	10%	12%
Others	1%	2%	1%
Total	100%	100%	100%

Effect of increase/ decrease of one percentage point in the assumed medical inflation rates:

	Rs. in Lakhs					
	Increase			Decrease		
	2010	2009	2008	2010	2009	2008
Effect on aggregate of interest cost and current service cost	84.44	23.90	22.87	-91.26	-61.12	-30.49
Effect on defined benefit obligation	190.93	179.15	155.63	-175.16	-162.87	-141.48

Principal Actuarial assumptions used:

	2010	2009	2008
Discount rates	8% / 5.65%	6.90% / 7.30% / 7.95% / 8.00%	6.40% / 7.50% / 8.10% / 8.20%
Expected rate of return on plan assets	7.50% / 9.40%	7.50% / 9.40%	7.50% / 8.00% / 9.35%
Expected salary increase rates	4.00% / 5.00% based on employee category	4.00% / 5.00% / 7.00% based on employee category	4.00% / 5.00% / 7.00% based on employee category
Medical inflation rate	8.00%	8.00%	8.00%
Mortality rates	LIC 1994-96 mortality tables/ other approved norms for overseas schemes	LIC 1994-96 mortality tables/ other approved norms for overseas schemes	LIC 1994-96 mortality tables/ other approved norms for overseas schemes

The estimates of future salary increases considered in the actuarial valuation takes into account factors like inflation, future salary increases, supply and demand in the employment market etc. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the Funds during the estimated term of the obligations.

The contribution expected to be made by the Group for the year ending 31st March 2010 is not readily ascertainable.

- Unless otherwise stated, figures in brackets relate to the previous year and have been rearranged / regrouped, wherever necessary.

Consolidated Cash Flow Statement

for the year ended March 31, 2010

Rs. in lakhs

	Year ended March 31, 2010	Year ended March 31, 2009
A. Cash Flow from Operating Activities		
Net Profit before Tax	64098.28	125630.69
Adjusted for:		
Depreciation and amortisation (net of withdrawals from Revaluation Reserve)	10292.33	9868.74
Investment Income	(3382.09)	(3136.56)
Profit on sale of current investments (net)	(24.38)	(183.34)
Unrealised foreign exchange (gain)/loss	67.66	1062.62
Interest expense	14907.86	21012.80
Interest income	(12114.85)	(15593.28)
Provision for doubtful debts and advances	114.21	105.26
Liabilities no longer required written back	(2262.15)	(1120.79)
Debts and advances written off	38.09	44.97
Provision for doubtful debts and advances no longer required written back	(20.85)	(0.97)
(Profit)/loss on sale/discard of fixed assets (net)	283.11	134.24
Exceptional Expense/(Income) (net)	(1613.08)	(73037.75)
Operating Profit before working capital changes	6285.86	(60844.06)
Adjustments for:		
Trade and other receivables	(7595.30)	2407.87
Inventories	(15664.57)	(19667.89)
Trade payables	8377.20	1385.44
	(14882.67)	(15874.58)
Cash generated from operations	55501.47	48912.05
Reorganisational costs / Funding of pension	(6014.26)	(2028.51)
Direct taxes paid	(35526.40)	(29465.48)
	(41540.66)	(31493.99)
Net Cash from Operating Activities	13960.81	17418.06
B. Cash Flow from Investing Activities		
Amount received from Amalgamated Plantations Private Limited (Note 3)	14123.00	-
Purchase of fixed assets	(8996.43)	(7591.95)
Sale of fixed assets	138.64	766.31
Purchase of long-term investments	(5000.50)	(489.05)
Sale of long term investments (net of deposits in Escrow account)	165520.87	11604.18
Investments in Subsidiaries	(14016.94)	(1719.48)
Expenses on new business initiatives	-	(594.93)
(Purchase)/sale of current investments (net)	(13284.99)	104428.12
Investment income (Refer Note 4)	3300.06	6002.61
Interest received	12829.76	16883.04
Inter corporate loans (net)	(5612.98)	(80125.56)
Other deposits	-	(632.55)
Net cash from Investing Activities	149000.49	48530.74

	Year ended March 31, 2010	Rs. in lakhs Year ended March 31, 2009
C. Cash Flow from Financing Activities		
Proceeds from issue of Commercial Paper	-	52140.40
Redemption of Commercial Paper	(15000.00)	(39100.00)
Proceeds from issuance of Non Convertible Debentures	(2550.00)	-
Proceeds from long-term borrowings	1367.18	1484.28
Repayment of long-term borrowings	(23845.25)	(28208.02)
Proceeds from short-term borrowings (net)	15000.00	17027.49
Repayment of Short-term Loans	(30000.00)	(22000.00)
Working capital facilities (net)	9015.10	(10116.96)
Dividend paid	(11820.57)	(27398.27)
Dividend tax paid	(1505.29)	(3550.67)
Interest paid	(16395.83)	(18682.66)
Net Cash used in Financing Activities	(75734.66)	(78404.41)
Net increase/(decrease) in Cash and Cash Equivalents	87226.64	(12455.61)
D. Cash and Cash Equivalents		
Opening Balance	108915.08	132319.60
Exchange Gain/(loss) on translation of foreign currency cash/cash equivalents	(5758.73)	(10948.91)
Closing Balance	190382.99	108915.08

Notes:

- 1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard on 'Cash Flow Statements (AS-3)' issued by Companies (Accounting Standards) Rules, 2006.
- 2 Previous year's figures have been rearranged/regrouped wherever necessary.
- 3 During the year **Rs.2440.00 Lakhs** (Rs.Nil) Equity shares and **Rs.13242.02 Lakhs** (Rs.Nil) Redeemable Non-Convertible Debentures were issued by Amalgamated Plantations Private Limited in discharge of purchase consideration without payment being made in cash and hence not considered in Cash Flow Statement.
- 4 Investment income includes dividend income **Rs. 2341.10 Lakhs** (Rs 2819.13 Lakhs) and interest income **Rs.958.96 Lakhs** (Rs. 3183.48 Lakhs).

This is the Consolidated Cash Flow Statement referred to in our Report of even date.

For N. M. Raiji & Co.

Firm Registration No. 108296W
Chartered Accountants

J. M. Gandhi

Partner

Membership No. 37924

Mumbai, May 25, 2010

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

Partha Mitra

Partner

Membership No. 50553

R.N. Tata
Chairman

R.K. Krishna Kumar
Vice Chairman

F.K. Kavarana
A.R. Gandhi
Managing Director

J.S. Bilimoria
V. Leeladhar
Wholetime Director

P.D. Unsworth
Directors
V. Madan
Vice President &
Secretary

Subsidiary Companies Financial Highlights - 2009 / 10

Rs. in Lakhs

Item	Tata Coffee Ltd. (Consolidated) @	Tata Coffee Ltd. (Standalone)	Tata Tea Inc.	Tata Tea (GB) Ltd. (Consolidated) #	Tata Tea (GB) Capital Ltd.	Mount Everest Mineral Water Ltd.
1. Capital	1867.70	1867.70	6283.79	159965.74	60976.67	3399.60
2. Reserves	35293.76	34120.25	11935.15	215132.98	713.83	2297.62
3. Minority Interest	15186.16	-	-	9250.97	-	-
4. Total Assets	166002.24	61303.05	22281.82	544767.82	70721.97	6573.43
5. Total Liabilities	113654.62	25315.1	4062.88	160418.13	9031.47	876.21
6. Turnover	129697.63	37342.45	10864.69	286665.16	3485.07	2051.27
7. Profit Before Taxation	15161.08	4999.93	2899.12	13809.51	3062.78	(1410.27)
8. Provision for Taxation	7786.53	1800.94	854.76	5679.82	-	-
9. Profit After taxation	7374.55	3198.99	2044.36	8129.69	3062.78	(1410.27)
10. Proposed Dividend	1400.78	1400.78	-	-	-	-
11. Dividend paid	-	-	465.20	5968.09	2274.93	-
12. Investments (Other than Subsidiaries and holding Company)	807.25	609.06	-	-	-	1902.02
Reporting Currency	Indian Rupees	Indian Rupees	US Dollars	Pound Sterling	Pound Sterling	Indian Rupees
Exchange rate used for conversion:						
Average Yearly rates for P & L items			47.73	75.94	75.94	
Year End rates for Balance Sheet Items			44.88	68.05	68.05	

@ Includes Consolidated figure of Tata Coffee Ltd. (India) and its subsidiaries (as per list below)

1. Alliance Coffee Ltd. India (Unlisted)
2. Eight'Oclock Coffee Company, USA
3. Consolidated Coffee Inc. USA

Includes Consolidated figures of Tata Tea (GB) Ltd. (UK), and its 23 Subsidiaries (as per list below)

- | | |
|----------------------------------|---|
| 1. Tetley Group Holdings Ltd. | 13. Stansand (Africa) Ltd. |
| 2. The Tetley Group Ltd. | 14. Stansand (Central Africa) Ltd. |
| 3. Tetley GB Ltd. | 15. Tetley Polska Sp. zo.o |
| 4. Tetley Overseas Holdings Ltd. | 16. Drassington Ltd. |
| 5. Tetley Overseas Ltd. | 17. Good Earth Corporation |
| 6. Lyons Tetley Ltd. | 18. Good Earth Teas Inc. (formerly known as F Mali Herb Inc.) |
| 7. Tetley US Holdings Inc. | 19. Teapigs Ltd. |
| 8. Tetley USA Inc. | 20. Jemca a.s. |
| 9. Tetley Canada Inc. | 21. Tata Tea (GB) Investments Ltd. |
| 10. Tetley Australia Pty. Ltd. | 22. Campestris Holdings Ltd. |
| 11. Stansand Ltd. | 23. Kahutara Holdings Ltd. |
| 12. Stansand (Brokers) Ltd. | |

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FORM 2B

(See rules 4 CCC and 5 D)

NOMINATION FORM

(To be filled in by individual applying singly or jointly)

I/We, _____ the holder(s) of Shares/Debentures/Deposits bearing Folio/Receipt Number _____ and accruals thereon of Tata Tea Limited wish to make a nomination and do hereby nominate the following person in whom all rights of transfer and/or amount payable in respect of shares/debentures/deposits shall vest in the event of my/our death.

Name and Address of Nominee

Name : _____

Address : _____

_____ Pincode : _____

Date of Birth* : _____

(to be furnished in case
the nominee is minor)Signature of Nominee
(Optional)*The nominee is a minor whose Guardian is -
Name and Address of Guardian _____

Signature(s) of Holder(s)

Signature : _____

(1st Holder)

Signature : _____

(1st Joint holder, if any)

Name : _____

Name : _____

Address : _____

Address : _____

Date : _____

Date : _____

Signature of Two Witnesses

Name and Address

Signature with Date

1.

2.

Instructions :

1. The Nomination can be made by individuals only applying/holding shares/debentures/deposits on their own behalf singly or jointly upto two persons. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. If the securities are held jointly, all joint holders will sign the Nomination Form.
2. A minor can be nominated by holders of shares/debentures/deposits and in that event the name and address of the Guardian shall be given by the holders.
3. The nominee shall not be a Trust, Society, Body Corporate, Partnership Firm, Karta of Hindu Undivided Family or a Power of Attorney holder. A Non-resident Indian can be a nominee on repatriable basis provided RBI approval granted to the nominee is registered with the Company.
4. Nomination shall stand rescinded upon transfer of shares/debentures.
5. Transfer of shares/debentures in favour of a nominee and repayment of amount of deposits to nominee shall be valid discharge by a Company against the legal heir.

FOR OFFICE USE ONLY

Nomination Regn. No. : _____ Checked by : _____

Date of Registration : _____ Signature of Employee : _____

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GUIDELINES FOR NOMINATION

1. Nomination per Folio -

Nomination for only one folio can be made on this Form. In case you have many folios, then you may take a photocopy of this Form and nominate separately.

2. Signatures -

The sole/joint holders should sign as per the specimen signature recorded with the Company, else the Form is liable to be rejected.

3. Registration of Nomination -

Upon receipt of a duly executed Nomination Form, TSR Darashaw Limited will register the nomination and allot a Registration number. This number will be furnished to the holder. All the subsequent correspondence regarding the nomination may please be done quoting the Registration number.

4. Change of Nomination -

The holder(s) can override (delete or change) an earlier nomination by executing a fresh Nomination Form for which a fresh Registration number will be allotted. The earlier nomination will automatically stand cancelled.

5. Change in Composition of the Account -

Nomination stands rescinded upon transfer of shares/debentures. Whenever the shares/debentures in the given folio are transferred/transposed/transmitted/dematerialised/amalgamated with some other folio, then this nomination stands void. A new Nomination Form will have to be filled by the person(s) in whose name(s) the shares/debentures have been transferred/transposed/transmitted/amalgamated.

6. Electronic Holding -

The nomination given in the Form would be considered for the physical holding only. In case securities are held in electronic form, then the holder(s) have to approach the Depository Participant for registering their nomination.

7. Accruals and Acquisitions -

Once a nomination is registered by a Company for a given folio, the same is valid for all future accruals and acquisitions made by the holder(s) in that folio unless notified to the contrary by the holder(s). The accruals could be in the form of Rights, Bonus, Purchases from open market under the same folio etc.

8. Validity of Nomination -

The nomination made through Form 2B will be considered valid and recognised by the Company if the nomination made by the holder(s) of the shares/debentures/deposits is registered with the Company before the death of the holder(s) of the shares/debentures/deposits.

9. Entitlement of Nominee -

The nominee will be entitled to all the rights in the shares/debentures/deposits of the Company only in the event of the death of the Sole/all holders in the account. The nominee will be required to approach the Company for transmitting the securities in his/her name and will be required to produce the death certificate of the holder(s), the shares/debentures/deposit certificates and proof of identity as required by the Board of Directors of the Company. The Registration number under which the nomination was registered should also be provided to the Company.

10. Date of Execution -

Kindly note that nomination being a legal document should be dated by the nominator and the witnesses certifying that the Form has been signed by the nominator in their presence. Furthermore the date of execution on the Nomination Form should match with the date of witnesses, witnessing the document.



TATA TEA LIMITED

Registered Office : 1 Bishop Lefroy Road, Kolkata 700 020

Dear Shareholder,

SUB : PAYMENT OF DIVIDEND THROUGH ELECTRONIC CLEARING SERVICE (ECS)

Securities and Exchange Board of India (SEBI) has made it MANDATORY for all the companies to use the bank account details furnished by the investors for distributing dividends through Electronic Clearing Service (ECS) to the investors wherever ECS and bank details are available in the absence of ECS facility, the companies are required to print the bank account details, if available, on the payment instrument, for the distribution of dividends to the investors.

Salient features of the scheme:

• Instant Credit

This facility provides instant credit of dividend amount to your bank account electronically at no cost. **ECS also eliminates the delay in postal transit and fraudulent encashment of warrants.**

• Coverage

ECS through RBI clearing is presently available at Mumbai, New Delhi, Kolkata, Chennai, Ahmedabad, Bangalore, Hyderabad, Kanpur, Nagpur, Jaipur, Chandigarh, Patna, Bhubaneshwar, Guwahati and Thiruvananthapuram. ECS facility is also available at other center through State Bank of India.

• Procedure for credit

Under this facility, the amount of dividend payable to you would be directly credited to your bank account. Your bank branch will credit your account and indicate the credit entry as 'ECS transaction' in your passbook/statement of account.

In case ECS facility is not made available to you by the Company/their Bankers at a particular centre the dividend amount due to you would be remitted by means of a dividend warrant which would be posted to your address with the particulars of the bank branch and account number furnished by you, duly incorporated on it.

If you wish to avail of this facility & hold shares in physical form, kindly fill the Form printed overleaf and return the same alongwith a **xerox copy of the cheque** pertaining to the Bank Account where you would like the amount to be credited. Please send the same to our above mentioned address or any of our branch addresses as mentioned below, to enable us to credit the future dividend entitlements, if any to your account through ECS.

This arrangement is subject to the RBI guidelines issued from time to time.

Bank particulars to be incorporated on warrants

If you do not wish to opt for ECS facility, we request you to provide us your bank details for printing the same on the dividend warrants which will be mailed to you in future, in the space provided overleaf. In case you have already furnished these particulars, and if there is any change/correction in the same, kindly fill up the required details.

In case if you have dematerialised your shares and hold shares in electronic form, kindly convey necessary bank details to your Depository Participant.

Thanking you!

Yours faithfully,

For TSR DARASHAW LIMITED

Centralised Correspondence Cell

TSR DARASHAW LIMITED BRANCH OFFICES

TSR DARASHAW LIMITED
503, BARTON CENTRE, 5TH FLOOR
84, MAHATMA GANDHI ROAD,
BANGALORE - 560 001.
TELEPHONE : 080-25320321
FAX : 080-25580019
E-MAIL: tsrdlbg@tsrdarashaw.com

TSR DARASHAW LIMITED
PLOT NO. 2 /24, SANT VIHAR,
ANSARI ROAD, DARYAGANJ,
NEW DELHI - 110 002.
TELEPHONE : 011-23271805
FAX : 011-23271802
E-MAIL: tsrdldel@tsrdarashaw.com

TSR DARASHAW LIMITED
TATA CENTRE, 1ST FLOOR,
43, CHOWRINGHEE ROAD,
KOLKATA - 700 071.
TELEPHONE : 033-22883087
FAX : 033-22883062
E-MAIL: tsrdlcal@tsrdarashaw.com

TSR DARASHAW LIMITED
"E" ROAD, NORTHERN TOWN,
BISTUPUR,
JAMSHEDPUR - 831 001.
TELEPHONE : 0657-2426616
FAX : 0657-2426937
E-MAIL: tsrdljsr@tsrdarashaw.com

All queries to be addressed to the Company's Registrars & Transfer Agent :

TSR DARASHAW LIMITED

(Unit: Tata Tea Limited)

6-10 Haji Moosa Patrawala Ind. Estate, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011.

Tel.: 022-66568484 • Fax : 022-66568494

E-mail : csg-unit@tsrdarashaw.com • Website : www.tsrdarashaw.com

SR.NO.:

E-mail ID		
Telephone No.:	STD Code	Tel. No.

TSR DARASHAW LIMITED
6-10, Haji Moosa Patrawala Ind. Estate,
20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011.

UNIT: TATA TEA LIMITED

Dear Sir,

This has reference to your circular dated printed overleaf.

I request the Company to register the bank details against my account as given below:

FOLIO NO. :
NAME(S) OF THE HOLDERS :
NAME & ADDRESS OF THE BANK BRANCH :
ACCOUNT TYPE : ☐ SAVINGS ☐ CURRENT ☐ CASH CREDIT
ACCOUNT NO. :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

We request you to kindly :
(PLEASE TICK ☒ FOR THE FACILITY YOU OPT)

1. ☐ Mail the warrant directly to the bank.
2. ☐ Mail the warrant at my registered address with the bank particulars incorporated.
- 3*. ☐ Directly credit to the account through Electronic Clearing System (ECS).

* **If opted for ECS, kindly provide the following information.**

9 DIGIT CODE NUMBER OF THE BANK AND BRANCH AS
APPEARING ON THE MICR CHEQUE ISSUED BY THE BANK

LEDGER FOLIO NO. (IF ANY) OF YOUR ACCOUNT

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

(in case if you have opted for ECS, affix photocopy of your cheque here)

I hereby declare that the particulars given are correct and complete. If the payment transaction through ECS is delayed or not effected at all for any reasons, I would not hold the Company responsible.

Date : _____

Signature of the first holder

TATA TEA LIMITED

1 Bishop Lefroy Road, Kolkata 700 020

31st July, 2009

Dear Shareholders,

Submission of PAN Details

We had, vide our letters dated 13.8.2007, 31.10.2007 and 25.7.2008 requested you to submit details of your **Income Tax Permanent Account Number (PAN)** as in terms of directive of Securities and Exchange Board of India, submission of these details by every participant in the securities/capital market has become mandatory.

Kindly return the slip appended below, duly filled in and signed with self-attested copies of PAN cards of all holders including jointholders, to the Company or the Registrars. If you are holding shares in electronic form, please furnish these details to your Depository Participant.

In case you have already submitted the PAN details, kindly ignore this letter.

For **TATA TEA LIMITED**



V. Madan

Vice President & Secretary

----- Tear Here -----

From :

Name :

Address :

To,
TSR Darashaw Limited
Unit: Tata Tea Limited
6-10, Haji Moosa Patrawala Ind. Estate
20 Dr. E. Moses Road
Mahalaxmi, Mumbai - 400 011

We give below the PAN details together with self-attested photocopies of the PAN card which kindly record against my/our names.

Folio No.

Tel.: _____

DP ID/Clinet ID No.:

E-mail : _____

Name of the Shareholder	PAN No.	*Signature

*In case of account holder(s) other than individuals, kindly submit an attested copy of the required authorization along with the specimen signatures of the authorized signatories.

