



TATA GLOBAL BEVERAGES

Annual report and financial statements 2010/11



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About the Tata Global Beverages Group

In view of (i) the changed business activities of the Tata Global Beverages Group globally (i.e. the shift from tea plantation activities to branded beverages), (ii) the various global acquisitions made by Tata Global Beverages Limited in the recent years, and (iii) the present business focus on growing the branded business across the globe, Tata Global Beverages Limited has also decided to introduce a section in the Annual report on the entire Tata Global Beverages Group for the information of its shareholders, in order to provide the shareholders with an overview of the performance of the Group.

The Group business review is (i) not intended for the purposes of providing information towards compliance with any legal requirements, (ii) being introduced only for shareholder information, as Tata Global Beverages Limited has direct and indirect interests in the various entities across the globe which constitute part of the Tata Global Beverages Group, and (iii) not intended to be a summary or replacement of the consolidated financial statements or any other information or documents. Details being provided in the consolidated performance review relating to the Tata Global Beverages Group business review are general in nature.

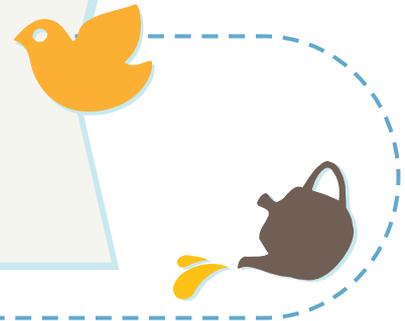
Each corporate entity forming part of the Tata Global Beverages Group owns its respective brand and has consented to featuring of its logo, trademark and information in this Annual report.

Overview

Our vision

Tata Global Beverages is an integrated beverage business with a vision to become global leader in good-for-you beverages through innovation, strategic acquisition and organic growth.

We are first and foremost a Tata business based on the philosophy of “leadership with trust”, with a bold ambition to build a global footprint by entering new markets and new channels with beverages that taste good, are good for you, good for others and good for the planet.



Overview

Highlights

Consolidated total operating income

Rs. Crores

2010/11	6,005
2009/10	5,821
2008/09	4,874

Consolidated profit before exceptional items

Rs. Crores

2010/11	485
2009/10	625
2008/09	526

Stand-alone total operating income

Rs. Crores

2010/11	1,811
2009/10	1,716
2008/09	1,379

Stand-alone profit before exceptional items

Rs. Crores

2010/11	207
2009/10	255
2008/09	239

* Growth

3% increase in our consolidated turnover,
6% at constant exchange rates

* Global

70% of our turnover is generated
outside of India

* Brand-led

Over 90% of our sales today are from
branded products

* Leading

In India and Canada our tea brands
have the highest market share by
volume; second highest market share
by volume in the UK*

**The market data we use in this report is from A C Nielsen,
unless otherwise stated.*



Overview

Our strategy

To become the leading good-for-you beverage company, we are pursuing a clear strategy based on six pillars:



Brands

Strengthening and extending the portfolio of brands with consumer relevant differentiation.

Product

Building a portfolio of good-for-you beverage products with a focus on consumer-relevant health and wellness, convenience and sustainability.

Distribution

Increasing penetration of our brands and product portfolio in identified non-stronghold markets such as the USA and Russia.

People

Building an organisation with clear differentiating capabilities.

Process

Having processes that work efficiently to deliver our strategic objectives, with innovation as a key differentiator.

Sustainability

Creating competitive advantage and long-term value creation through the development of a sustainable business model.



Brand-led strategy

Nearly 70 per cent of our branded revenue comes from popular tea brands such as Tata Tea and Tetley.

We have a big ambition

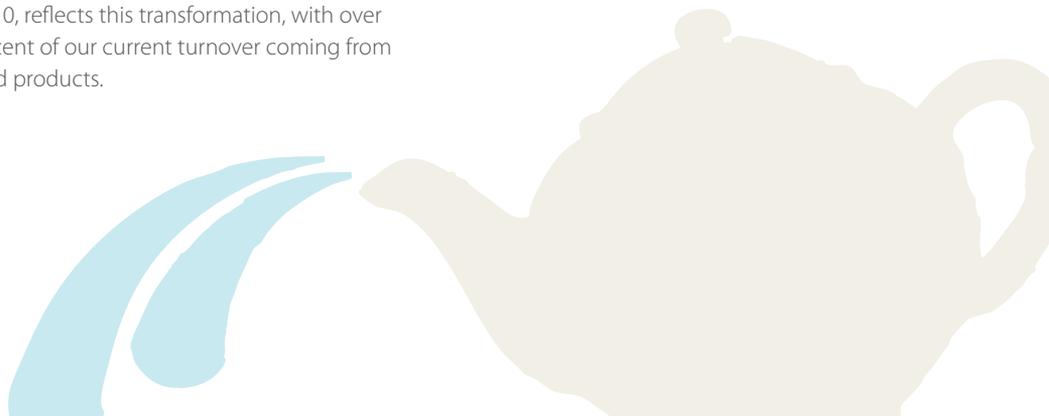
We're growing fast – focusing on “disruptive” innovation that's changing the way consumers enjoy beverages by growing our brands and investing in new and exciting opportunities to expand our business such as strategic alliances.

New name, new ideas

We've already come a long way – from domestic Indian tea grower to global business in less than 10 years. Our new name, introduced in July 2010, reflects this transformation, with over 90 per cent of our current turnover coming from branded products.

Going global

We're building a truly global business with 70 per cent of our consolidated revenues coming from markets outside India; new corporate Headquarters in London; a single Executive Office to co-ordinate our key functions; and three regional Presidents co-ordinating our consumer-facing businesses. We've built a shared company culture centred on “responsible irreverence” that shapes how we deliver our strategy.



Overview

Brands in brief

We have a fantastic portfolio of brands and products that we are intensely passionate about. We delight millions of consumers across the world with great tasting beverages every single day.

Our brands



NourishCo JV

Himalayan, our premium "lifestyle" mineral water, entered "NourishCo", our joint venture with PepsiCo.

Brand wise sales break-up



	%
Tetley	39
India Tea Brands	29
Eight O'Clock	17
Other and specialty brands	15



India tea brands include Tata Tea Premium, Gold, Life, Kanan Devan, Chakra Gold, Agni and Gemini.

Other brands include Grand Coffee, Himalayan Water and Sukk. Specialty regional brands include Good Earth, Vitax and Jemča.



Investment in new growth through alliances and innovation

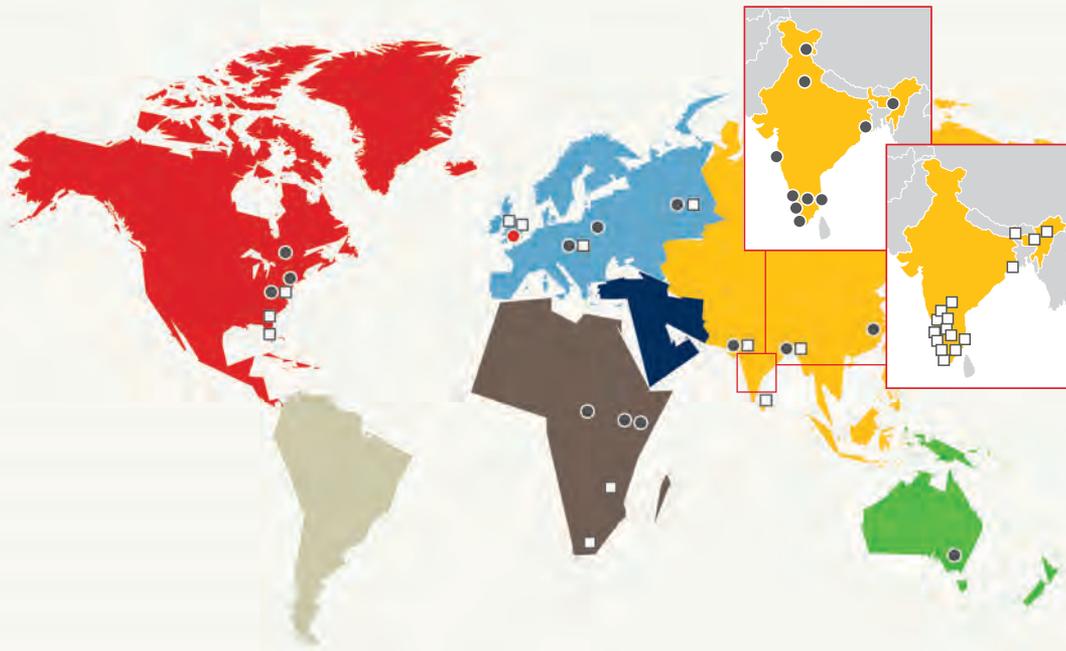
We are bringing new beverages to new consumers by widening our brand and product portfolio. Tetley Infusions are causing a stir in Canada, and Himalayan Water is being distributed more widely by NourishCo, our joint venture with PepsiCo in India.



Overview
Global operations

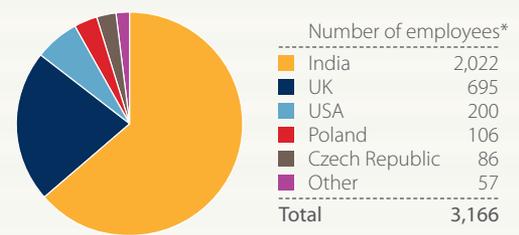
Global presence – where you can find our offices and brands

- Europe ■ Middle East ■ Asia ■ Australasia ■ Africa ■ North America
- Administrative Head Office ● Offices □ Operations



Over 3,000 employees worldwide...
... but through partnerships, joint ventures and our supply chains, many thousands contribute to our business. We're now one global business, working together to achieve our vision to be the global leader in good-for-you beverages.

Where our employees are based



* Excludes plantation workers.



The central office for the Group is in Uxbridge, West London. We have a number of offices, factories and plantations around the world (such as the Pullivasal packeting factory and the Periyakanal plantation in Munnar, and the Eaglescliffe factory in the north-east of England); one of our subsidiaries, Tata Coffee, also owns and manages plantations and instant coffee operations in India. We operate the business through three regional business units.



Kanan Devan

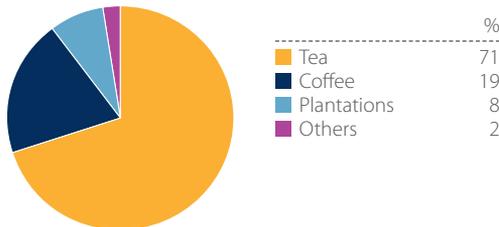
Kanan Devan's 25-year birthday celebration package: "Winning challenges with a smile for 25 years."

Consolidated total turnover by region (Rs. Crores)

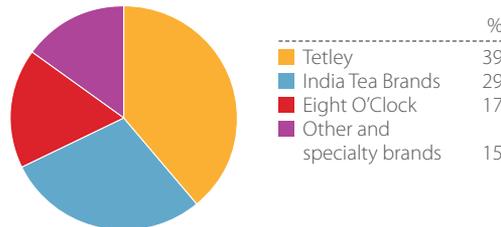
■ 2008/09 ■ 2009/10 ■ 2010/11



Consolidated sales category wise



Consolidated sales brand wise



Tata Global Beverages online!

Our vibrant new corporate website has been developed and launched:
www.tataglobalbeverages.com

Consolidated performance review

Performance review

The Group successfully steered a challenging course in 2010/11: increasing turnover by 3%, or 6% at constant exchange rates, whilst navigating fragile consumer confidence and challenging trading conditions.



New launches
Eight O'Clock has been launched in Europe for the first time and Tata Tea has been launched in Germany.

The Group's performance was especially pleasing in the context of the intense cost pressure we have been facing, like most FMCG businesses. Commodity prices in particular were challenging, with tea prices remaining volatile and coffee prices reaching a 30-year high during the period. The cost of raw materials consumed increased by 234 crores, an increase of over 11 per cent year on year.

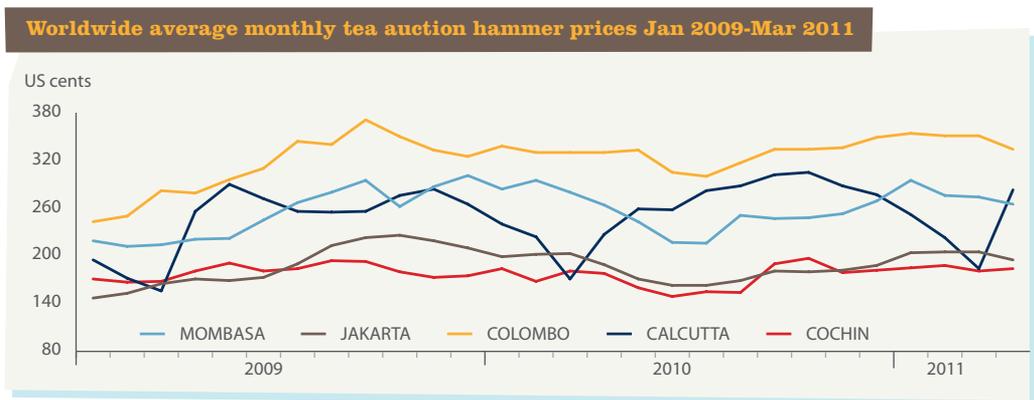
We recognise that the strength of our brands and consumer relevance will help us to navigate challenging trading conditions and counter competitive intensity. As a result we maintained an acute focus on brand value, increasing advertising and brand building costs by 20 per cent on prior year, notably in our core tea markets in the UK and India. These investments impacted profitability but were essential to preserve the long-term health of our brands and support future price rises.

Where possible we increased prices but were not fully able to recover all increases in input costs. We were especially pleased to implement price rises in key markets given continued weak consumer confidence, which made consumers and our customers, such as the grocers, acutely price-sensitive. We traded in a highly promotional climate – groceries sold on deal in the UK, for instance, reached a record high of 40 per cent during the period and we too were under pressure to boost promotional spend.

Strong brands are the lifeblood of consumer goods companies and we take real pride in ours. Our brands touch millions of people every day – you could be enjoying a refreshing cup of Chakra Gold in India, waking up to an invigorating mug of Eight O'Clock coffee in the United States or chilling out with a "cuppa" of your favourite Tetley tea in the UK.



Distribution
We've increased points of distribution for Good Earth teas in the US.



Tata Tea continues its “Superbrand” status in India, where it is transforming the way beverages are marketed, by positioning tea as a catalyst for social change, through initiatives such as Jaagore.com and various community projects which support the societies in which we operate. I am proud to say that we remain market leader by volume in India. We are Canada’s favourite tea, where 44 per cent of tea buyers buy Tetley. Tetley Herbal in Canada is now the market leader, growing 22 per cent in the financial year.

Tetley continues to expand from traditional black tea into fruit and herbal variants, capturing a slice of the growing market for products with health and wellness attributes. Tetley is the fastest-growing Green tea brand in the UK, where it is also the leading Redbush brand, with over 30 per cent market share by value.

Our wholly owned subsidiary in the USA, Tata Tea Extractions Inc, had comparable sales to the previous year in terms of volume and value. There was an upsurge in customer demand in the early part of the year which necessitated the air freighting of supplies from Munnar. The first phase of our China JV, Zhejiang Tata Tea Extraction company Limited, has been completed and the export of Green Instant Tea has started after completing various compliance formalities. The production

of instant tea at the IT unit in Munnar was over four million pounds, an increase of 6.5 per cent compared to the prior year. Operations were at name-plate capacity in the Munnar unit and new product development based on customer needs was undertaken during the year.

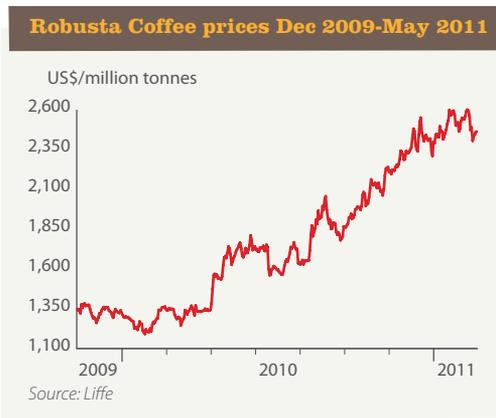
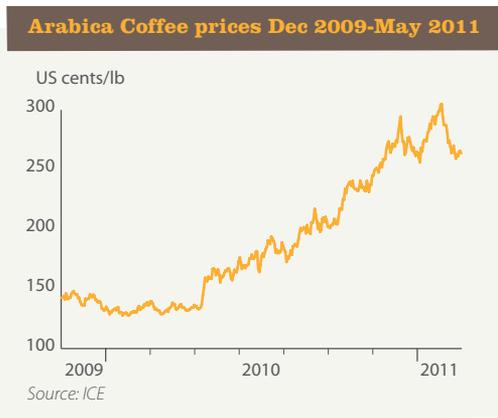
At our plantations, crop production for the year ended March 2011 at the Company’s Pullivalal and Periakanal Estates was lower by 10% due to unfavourable weather conditions, but the combined productivity achieved by these two estates during the year is the second highest. We continued our commitment to welfare initiatives, supporting community development and promoting social welfare schemes through the General Hospital at Munnar, the High Range school and Srishti complex.

Last year we introduced you to Tata Global Beverages’ ambitious vision to become global leader in good-for-you beverages. A year on, I am delighted to update you on the progress we have made on our significant transformation journey and enlighten you further about our strategic direction.

We continued to successfully shift from a tea plantation business to a marketing and brand-led organisation, with over 90 per cent of turnover now coming from exciting branded products such



New launches
Tetley Black and Green and Plantation Fresh were launched in Poland.



New products
Metabolism Boost™ Performance Blend was added to the range of Eight O’Clock coffee.

Consolidated performance review

Performance review

continued



Tetley expands

New products were launched under the Tetley brand which include T4KIDZ, Tetley Soya, the Tetley Handy Pack, Tetley Green Blueberry and Lemongrass & Honey.

as the restaged Tata Tea Premium. Our portfolio of brands has developed further into cold beverages, such as the new Tetley Infusions – an all-natural real brewed tea with no artificial sweeteners, flavours or preservatives in an easy-to-use liquid format, which have already taken 14 per cent of the single serve iced tea mix category.

Himalayan Water, our premium “lifestyle” mineral water, has reached a record 7,000 outlets across India, a number which is growing every day. SUKK, the good-for-you drinkable jelly snack, continues to intrigue consumers in the North of England.

Our strategic investments are moving us further towards our ambitious vision, with Activate giving us access to one of the fastest-growing beverage categories in the US. Himalayan Water, and a new beverage called Tata Gluco Plus, have entered our joint venture with PepsiCo India – NourishCo. A clear move into fortified beverages will follow this recent progress. Our innovation pipeline is strong, and I am excited by the prospect of updating you in the coming months on successful outcomes.

I am sad to report that Peter Unsworth, the CEO of the Tata Global Beverages Group (Executive Team), decided to leave the business after 15 years of service. Peter’s contribution and commitment towards priming Tata Global Beverages for future success is worthy of much praise and recognition. We wish Peter all the best for the future. A new CEO will be announced in the coming months.

The momentum behind our growth and innovation strategy remains unabated and we have built a strong springboard for continued growth, with ongoing integration of the business, seeking and executing efficiencies where possible, such as merging the UK and Indian tea buying and blending teams.

We continue to invest in our research and development and marketing and innovation capabilities that will help us deliver on our growth agenda, particularly around “disruptive innovation”. The Board and management team are confident that we have the capability, strategy and ambition to achieve global leadership in good-for-you beverages as well as deliver shareholder value.

We expect the coming year to present ongoing cost challenges, but with continued integration, effective supply chain management and procurement efficiencies, coupled with high-impact, consumer-centric brand investment, I am confident that Tata Global Beverages will achieve its mission and vision.



Percy Siganporia
Managing Director

Tata Global Beverages Ltd

“ Thank you

I would like to take this opportunity to thank all of our people, unions, associates, suppliers, customers, stakeholders and consumers – whose individual contributions have enabled Tata Global Beverages to continue its exciting transformation.

”

Consolidated performance review

Our brands

We have a portfolio of strong global and regional beverage brands – with Tata Tea and Tetley the key drivers of our global presence. Our strategy is to invest in and energise our core brands and grow and nurture our regional brands, whilst building new and exciting ones.



“A cup of tea that awakens me.”



Tata Tea enjoyed another exciting year, with engaging brand initiatives and its continued “Superbrand” status in India. It remained volume leader (over 18 per cent) with strong consumer brands, including Tata Tea Premium, Gold, Life, Kanan Devan, Chakra Gold, Agni and Gemini.

Tata Tea is one of India’s most trusted brands and has transformed the way beverages are marketed, by positioning tea as a catalyst for social change.

The repositioning of Tata Tea Premium succeeded in refreshing the brand and providing a strong functional benefit to the customer. The brand communication established the superior cup quality which is a blend of Tata Tea Premium and a unique Assam-rich blend created by tea experts. The restage has led to an upswing in the share of mind and share of purchase.

Chakra Gold, one of our leading brands in South India, is positioned as the tea that not only refreshes you but also makes you look at personal, irrational biases in a refreshing manner. The brand’s new campaign strengthened the “open up your mind” proposition and was well liked by consumers.

Kanan Devan celebrated 25 glorious years of its poly packaging that ensures consumer satisfaction and enriches the lives of many. This was leveraged in brand communication with the theme “Winning challenges with a smile for 25 years”.



Jaago Re
Jaago Re campaign encourages people to act on inspiration and do something for society.



Jaagore.com

A first of its kind website in India, jaagore.com won awards and appreciation from many audiences. It has been influential in promoting “social awakening” and has acted as a conduit between citizens and NGOs/citizen groups. Jaagore.com now has 620,000 registered users and 150 NGOs on board, supported by social media engagement. The Jaago Re campaign, which attempts to “awaken” citizens to the problem of corruption and encourage them to be the change they want to see, had a new ad film launched in April 2010. This focused on corruption in the education system and was launched to coincide with school and college admission to make it more relevant.



The legendary Tetley Tea Folk returned to advertising campaigns in the UK.



Continuing investment in growth through strong brands and products

We recognise that strong brands are crucial to sustainable success, so we invested an additional 20 per cent in advertising and brand building to ensure that our brands remain engaging and relevant to consumers. Following the launch of Tetley in Saudi Arabia, it has been launched into UAE, Kuwait, Qatar and Oman supported by exciting advertising campaigns.



Consolidated performance review

Our brands

continued



Expansion

Tetley continues to expand from traditional black tea into herbal and fruit tea variants.



Tea folk

Online engagement with the Tea Folk was particularly strong, with over 140,000 Facebook fans and 10,000 followers on Twitter.



Tetley has been given a brand-new look to reposition and reinvigorate it as one of the world's best-loved tea brands. Tetley packs with a new, globally consistent logo, can now be found on the shelves wherever you're enjoying Tetley in the world – from Mumbai to Montreal to Manchester.

The first packs of Tetley carrying the Rainforest Alliance Certified™ seal hit stores in the UK and Canada. You can read more about this in the sustainability section.

The iconic Tetley Tea Folk returned to advertising campaigns in the UK after a break of nearly a decade amidst much media and consumer interest. The campaign, supporting the brand's relaunch, led to the highest spontaneous awareness of Tetley amongst consumers for over three years. Tetley maintained significant market share, 26 per cent in volume terms, and enjoyed brand leadership in the decaffeinated and Redbush sectors, plus continued to be the fastest-growing green tea brand.

“Forty-five million cups of Tetley are drunk around the world every day and Tetley is currently enjoyed in 70 countries, with key markets being the UK and Canada.”



Tetley continued to be the dominant brand in Canada with a 38 per cent share of volume. The repositioning of Tetley Herbal Tea was supported by a high-profile advertising and PR campaign that links moods and colours to different herbal tea variants. Tetley Mojito was launched to capitalise on the trend towards exotic herbal products.

We brought disruptive innovation to the tea category through Tetley Infusions – a range of liquid tea concentrates – introduced to the market last year. The range continued its success in Canada, with a cross-channel marketing campaign and the launch of two additional variants. In the short space of time since their launch, Tetley Infusions achieved a 14 per cent share of the single serve iced tea mix category.

“Tetley remains the most bought tea brand in the UK, with more consumers buying Tetley than other tea brands.”

Consolidated performance review

Our brands

continued

good earth



Good Earth, with its premium teas centred on “generous abundance”, continued to expand. In April we partnered with General Mills, one of the world’s largest food companies, to launch a range of ready meals in the USA. Good Earth’s core tea business continued to grow with the launch of a tea range in Canada as well as a new Superfruity range extension in the UK.

EIGHT O’CLOCK



Eight O’Clock, renowned for “brewing memories for generations” was named one of *America’s Greatest Brands* in 2010. During the year Eight O’Clock increased its relevance to consumers with redesigned and refreshed packaging, one of the brand’s biggest changes in a decade. The Eight O’Clock coffee range was extended, with the addition of Metabolism Boost™ Performance Blend, coffee infused with EGCG, the natural antioxidant found in green tea.

Himalayan

The natural mineral water



Himalayan’s “live natural” brand philosophy and unique packaging continued to position it as a premium “lifestyle” mineral water brand in India. Himalayan was launched across India through a joint venture with PepsiCo, about which you can read more in the Growth section.

The internal launch events held at Mumbai and Delhi created further excitement to propel Himalayan’s growth. Sales of Himalayan showed an increase of 14 per cent over prior year and distribution was expanded significantly. From an outlet base of 1,000, Himalayan reached a record 7,000 outlets across India, and momentum continues to grow.



Grand is one of Russia's leading beverage brands – known for its great value coffee and tea products, offering "refinement". Grand coffee was relaunched in 2010 with new packaging and a new advertising campaign highlighting the brand's "Charming Aroma" starring Sergey Astrakhov, one of Russia's hottest actors. Brand loyalty has increased so, for the first time, awareness has reached the 34 per cent mark. Grand continues to invest in its brand portfolio and drive penetration into the highly competitive Russian tea and coffee market.



Vitax is well-established and well-recognised in Poland, with a share of 16 per cent of the fruit tea segment. The brand is currently building affinity with consumers through a new "vitality" themed advertising campaign. Consumers continued to choose Vitax for its originally flavoured fruit and herbal teas, blended with great care using high-quality ingredients. Vitax built on its heritage in 2010 with the launch of a new range of Superfruit teas, blends of local and exotic fruits containing higher levels of antioxidants than standard fruit teas. First year sales were extremely strong and saw Vitax overtake key competition within nine months of launch.



Sukk, "the good-for-you drinkable jelly snack", was born from our approach to disruptive innovation in the beverage category. It was well received in a UK pilot and won first prize in the "Dare to Try" category in the Tata Group's Innovista finals, which celebrates innovation across the Group.



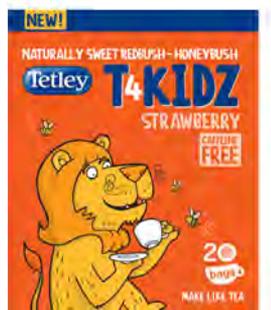
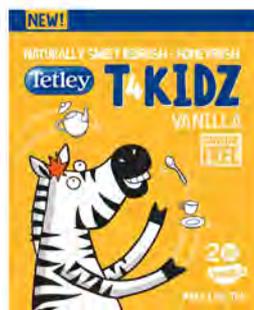
Consolidated performance review

Our brands

continued



Jemča is the leading tea brand in the Czech Republic with a strong portfolio of black, green, and fruit and herbal teas. The brand maintained its 20.6 per cent volume share in tough market conditions. Jemča's most premium range is Viva, positioned as an "everyday delight". In 2010 Viva was supported by a new social media campaign, offering consumers the chance to interact more deeply with the brand on Facebook and our website via a series of 50 "daily delights" they could share with friends and family.



T4KIDZ, a totally new kind of hot drink, specially blended for children from Redbush and Honeybush tea, was launched by Tetley in the UK in March 2010. T4KIDZ is caffeine-free and sugar-free but naturally sweet tasting and available in three fun flavours – Pure, Vanilla and Strawberry. It has been launched as a great tasting, healthy alternative to other kids' drinks and an excuse for parents and kids to sit down for a "cuppa" together.



Laager, managed by Joekels Tea Packers (Pty) – blenders and packers of some of South Africa's most popular household quality tea brands, including Phendula Tips, Tea Time, Tea for Me, Phendula TEA4KIDZ, Laager Rooibos and the strong regional tea brands Teeco Tea, Tea Break, and Southalls Rooibos. During the year we increased our investment in Joekels to a 51.8 per cent stake in the business. Despite aggressive pricing from competitors, Joekels has managed to hold market share in black tea, and grow market share in Rooibos. Laager TEA4KIDZ continued to perform well and the first Rooibos Cappuccino, and milk shake in instant form were launched in South Africa, called Laager SHAKE4KIDZ.

Consolidated performance review

Expanding our portfolio



Activate

Activate provides real refreshment, great taste and a fresh dose of vitamins.



Partnerships

By partnering with others we can accelerate our growth strategy in good-for-you beverages.

Strategic alliances

Strategic alliances formed an exciting and important chapter in our growth story during the year, including the following:

Rising Beverage Company LLC

The Group acquired a 31 per cent stake, calculated on a fully diluted basis, in Rising Beverages LLC, which manufactures and markets a range of vitamin and flavour enhanced water using unique powder dispensing technology, under the "Activate" brand. This acquisition gives us access to the functional water category which is one of the fastest-growing beverage categories in the US. We have the option to increase our stake in Rising Beverages in the event the agreed performance criteria are met.

NourishCo Beverages Limited

Following a Memorandum of Understanding (MoU) with PepsiCo Inc. USA last year, we formed a joint venture company, named NourishCo Beverages Limited, with PepsiCo India Holdings Private Limited, in which we each hold 50 per cent of the equity capital. The vision of the joint venture is to develop the business in India and internationally, focusing on the healthy, non-carbonated, ready-to-drink beverage space.. Our Himalayan Water brand entered the joint venture and has already benefited from wider distribution opportunities.

Starbucks coffee

We and our subsidiary, Tata Coffee Limited, signed a non-binding MoU with Starbucks Coffee Company. This MoU will create avenues for a potential strategic collaboration in areas of sourcing of coffee beans, utilising coffee roasting facilities to meet the requirements of Starbucks for their proposed retail operations in India and other countries. This arrangement is subject to the negotiation and execution of a definitive agreement.

Kerala Ayurveda Limited

We also signed an MoU with Kerala Ayurveda Limited to enter into a 50:50 joint venture for facilitating the development of a range of leading edge, functional and great tasting beverage and food products based on proven Ayurvedic recipes, actives and formulation with necessary research, development and commercialisation capability.





Growing our presence and reach around the world

We are continuing our penetration into non-stronghold markets such as the Middle East, where Tetley is already making its presence felt by taking market share. The Grand brand in Russia has developed since our investment last year – Grand coffee has been relaunched with new packaging and a new advertising campaign.



Consolidated performance review

Sustainability



Rainforest Alliance
Tetley has committed to sourcing 100 per cent of tea from Rainforest Alliance certified farms by 2016.



Ethical sourcing
A tea plucker in Malawi.

Sustainability is being embedded across the business, in order to generate competitive advantage and create long-term value through developing stronger, more relevant brands. We are building resilience into our supply chains to ensure they are fit for the future and taking a proactive stance on current and upcoming legislation, which increasingly rewards sustainable behaviour.

Our sustainability agenda focuses on four core areas that we have identified as being most relevant to our business and where we can have the biggest impact:

- Ethical sourcing
- Packaging
- Climate change
- Water

Ethical sourcing

“We will source 100 per cent of our key agricultural raw materials and packaging components from sustainable sources by 2015.”

Tetley has committed to sourcing 100 per cent of its tea from Rainforest Alliance Certified™ farms by 2016. All Tetley branded black, green and red (rooibos) tea, including flavoured and decaffeinated varieties, are included in the certification programme, and an extensive programme of work on the ground in all the major tea-growing regions is underway.

Packs carrying the Rainforest Alliance Certified™ seal are now available in the UK and Canada, which marks a major milestone on the journey to becoming a more sustainable brand for Tetley and to creating a more sustainable global tea sector.

The Tetley commitment means that the number of cups of tea from Rainforest Alliance Certified™ farms will increase to circa 100 million in the UK.

The Rainforest Alliance certification programme ensures that farms meet the environmental, social and economic standards of the Sustainable Agriculture Network (SAN). Over 82,000 smallholder farmers have been trained under our 2010/11 certification programme with the Rainforest Alliance. Working with the Rainforest Alliance is enabling Tetley to secure an important supply chain for the future, whilst also enhancing brand reputation by providing consumers with a guarantee that the tea they drink has been produced to high social and environmental standards. And farmers are benefiting from improved agricultural practices, access to markets and more sustainable livelihoods.

Tetley has continued to be a leading member of the Ethical Tea Partnership (ETP), an international non-commercial alliance of tea packers with a vision to create a thriving global tea sector that is socially just and environmentally sustainable. The Tata Global Beverages' Directors of Sustainability and Tea Buying are active Board members and have influenced the development of the partnership's supply chain assurance and producer-support programmes.

In Kenya, for example, ETP and the German Development Agency (GIZ) are developing a training programme to help smallholder farmers adapt their farming practices to mitigate the effects of climate change. And in India we are collaborating with First Climate (India), experts in energy management and carbon finance, to help tea producers reduce energy consumption and GHG emissions while improving their yields and their income.

Consolidated performance review

Sustainability

continued



Farmer's First Hand

To promote the Tetley Rainforest Alliance collaboration and its impact, we developed "Farmer's First Hand". The initiative is facilitated by Facebook and allows consumers to communicate directly with tea producers from the Lujeri Tea Estate in Malawi who are working towards gaining Rainforest Alliance Certified™ status for their farms. The Facebook page now has over 11,000 fans and 11,700 monthly users.



"Because of this wonderful site, me and my family have learnt so much. When I drink my tea I feel connected to all those people, so far away that make this all possible. A beautiful country, with beautiful people and without them we would all be so much poorer. So thank you for my tea, it refreshes not just me, but my soul too and that, my friends, is priceless."

FFH Facebook comment

"I was a HUGE Tetley's drinker, but I gave up recently as I felt I should be buying tea that was Fair Trade. I'm thrilled that I can now resume my Tetley's addiction with a clear conscience! Well done Tetley's!"

FFH Facebook comment

"I love this site, it's really nice to know that we can see how the farmers are doing and to know that some big companies DO want to give back. Not been to a tea plantation in Africa but have in Sri Lanka and it was fascinating, think my husband bought the tea crop for the year to bring home, lol x."

FFH Facebook comment

Packaging

“ We will ensure no packaging needs to go to landfill by 2015. ”



A comprehensive roadmap outlining the activities required to deliver our packaging target was initiated and all year one deliverables were achieved as scheduled. Relationships have been developed with key service and technology providers and good progress was made in developing sustainable packaging solutions using both traditional and emerging sustainable technologies.

Climate change

“ We are committed to reducing our carbon emissions. ”

The UK business fulfilled the initial requirements of its carbon reduction commitment.

Measurement of our corporate carbon footprint is now under way using a methodology and timetable consistent with the requirements of the Carbon Disclosure Project.

External energy reduction experts have also reviewed a sample of our operations in order to verify ongoing projects and identify new opportunities for carbon reduction.

Water

“ We'll work towards understanding our water footprint.”

A report was commissioned to identify the risks and opportunities to our Company arising from global water scarcity. This is forming the basis of the development of a corporate water strategy, including a quantified water reduction target.

Community investment

We have offered continuous support to a range of communities linked to our business around the world.

We have supported social entrepreneurship through “Kiva”, the world’s first person-to-person micro-lending website, empowering people to lend to entrepreneurs in developing countries across the globe.

In lieu of sending paper Christmas cards in 2010, we made a donation to help Kiva manage and develop their operations and supported several entrepreneurs through loans. This made a positive impact by investing in people who would not be granted capital from traditional finance institutions and by promoting enterprise, innovation and economic empowerment.

Our business contributed significantly to the social and community development of 34,000 workers and their families living on tea estates in South India, and we continue to run a labour welfare programme which offers free housing, education and healthcare; these include the General Hospital, the High Range secondary school, and the Srishti Organisation, all of which remain the full responsibility of our Company.

Our welfare complex – the Srishti Organisation – continues to house rehabilitation facilities for the children of employees who are differently abled or have learning disabilities, while The Coorg Foundation funds sports, cultural, medical care and childcare activities for the communities around its estates.

As a business we are committed to making a difference to the lives of both our employees and the communities around us, which is why we continue to provide donations and goods-in-kind to numerous organisations and people who live and work near our sites and offices across all of our regions.



KIVA
loans that change lives

Kiva
An entrepreneur in Guatemala benefiting from the Kiva loans scheme.

Welfare initiatives

We continue to support social welfare initiatives, including the General Hospital at Munnar, the High Range school and Srishti complex. Key activities undertaken by the General Hospital include an awareness-raising campaign on HIV/AIDS, a project on the importance of blood donation, a breast cancer awareness programme and regular diabetic clinics.



Consolidated performance review

People and culture



Think BIG!
Winner of Think BIG! at the nail-biting grand finale in New York.



Company culture
Working at Tata Global Beverages gives an opportunity to work in a culture which lets you grow and do things differently. There is never pressure to follow the old proven road but an incentive to try something new.

We employ over 3,000 people in 11 countries. During the year we accelerated culture change to equip and energise us for our journey to become the global leader in good-for-you beverages.

First and foremost, we embedded our “directional themes” into the organisation. These five themes are not just a set of values or behaviours but are what makes us stand out from the crowd, do things right and in our own way. They inspire everything we do and are a key driver of our strategic business decisions.

Both culture change and employee engagement were catalysed by our first wave of “Culture Champions” – a diverse group of people from across the business, regions and functions who have worked together as one team to bring our culture to life. In total they introduced 36 new initiatives, including a “Consumer Connect” programme to link finance and operations employees with end-consumers and a number of volunteering projects, which saw employees working with their local employees.

Think BIG!, our unique employee innovation competition and a global culture champion initiative, was a major highlight on our innovation and employee engagement journey. It captured people’s imagination across the globe, resulted in 1,300 submissions and drove both integration and transformation. Think BIG! was a chance to upskill the organisation, capture fresh ideas quickly and have some fun doing it!

In combination with these culture initiatives, the senior leadership team engaged with employees to share and discuss our newly determined strategic initiatives at a series of regional roadshows, supported by other communication vehicles.

Directional themes

Consumer is our heartbeat



We use our brains (and our hearts) to come up with great ideas, making brands that people want and love. Our brands aren't just products, they're promises we keep and experiences we deliver.

Disruptively challenging



We think differently, we are open to new sources of inspiration, we are fresh and unexpected. We punch above our weight because we are hungrier to succeed and quicker to anticipate and respond.

Playfully professional



We are ambitious, confident and energetic. We know we can be commercially successful and have fun at the same time. Maybe that's why we come to work with a smile on our face!

Individually excellent, collectively brilliant



We're a business full of smart individuals but we know it takes a team to be successful. We are doers and achievers. We take charge, are resourceful and we make it happen.

Doing good



We're fair and honest with everyone. We do the right thing for the environment... and inspire others to do the same. It's also really important to us that we provide a working and learning environment where everyone is treated equally and with dignity.

Management and governance

Board of Directors



Mr R N Tata
Chairman

Mr R N Tata
Chairman

Mr Ratan N Tata is an eminent industrialist with wide business experience across a variety of industries. Mr Tata has been the Chairman of Tata Sons since 1991, the apex holding company of the Tata Group, and is the Chairman of major Tata companies including Tata Steel, Tata Motors, Tata Consultancy Services, Tata Power, Tata Chemicals and Indian Hotels. He also heads the Tata Trusts. He joined the Tata Group in 1962.



Mr R K Krishna Kumar
Vice-Chairman

Mr Tata has a Bachelor of Science in architecture, with specialisation in structural engineering, from Cornell University. He completed the Advanced Management Programme at Harvard Business School in 1975.



Mr F K Kavarana

Mr Tata is associated with various organisations internationally. He serves on the board of directors of Fiat SpA and Alcoa and is also on the international advisory boards of Mitsubishi Corporation, the American International Group, JP Morgan Chase and Rolls-Royce.



Mr U M Rao

The Government of India honoured Mr Tata with its second highest civilian award, the Padma Vibhushan, in 2008. He has also received honorary doctorates from several universities in India and overseas.

Mr R K Krishna Kumar
Vice-Chairman

Mr R K Krishna Kumar served as Managing Director of Tata Global Beverages Limited (formerly Tata Tea Limited) from May 1991 to January 1998. He was appointed Vice-Chairman and Managing Director in 1997. In 1998, he ceased to be the Managing Director to take over as the Managing Director of the Indian Hotels Co Ltd. He is also on the boards of a number of Tata Group companies, including Tata Sons Limited and Tata Industries Limited. He is also the Trustee of several important Tata Trusts.



Mr A R Gandhi

Mr Krishna Kumar has been associated with the tea industry for over 40 years. He has long and rich experience in overall business management of Indian and overseas bodies. Mr Krishna Kumar was conferred with the Padma Shri award by the Government of India in 2008.

Mr F K Kavarana

Mr F K Kavarana has a rich background in business management and finance. Mr Kavarana has long experience in management and administration of several large Tata companies both in India and abroad. He is presently the Chairman of several Tata companies, including the financial services companies of the Tata Group.

Mr U M Rao

Mr U M 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. He is also a Director on the boards of Tata Coffee Limited and Ispat Industries Limited.

Mr A R Gandhi

Mr A R Gandhi is a Director on the Board of Directors of Tata Sons Ltd, member of the Group Corporate Centre of the Tata Companies and Director on the Board of Directors of several Tata companies. He joined Tata Sons Limited as an Executive Director on 18 August 2003 and continued in that position till 17 August 2008. Mr Gandhi has led the Tata Group's efforts in acquiring diverse assets and companies across the globe. This has enabled the Tata Group to acquire critical assets, resources and access to world class R & D facilities. Mr Gandhi is a fellow member of the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants of India. He is an associate member of the Chartered Institute of Taxation, London.

Management and governance

Board of Directors

continued



Mr J S Bilimoria

Mr J S Bilimoria

Mr J S Bilimoria was the Managing Director and Country Head of Ciba Specialty Chemicals India Limited in India. He joined the Company's Board on 25 March 2009. He has been associated with the Ciba group since 1997 and has held various positions in Ciba viz. Finance Director, Managing Director & Country Head, and Vice Chairman & Managing Director, and Chairman. Besides operational responsibilities he was actively involved in various acquisition opportunities, restructuring of businesses and integration of new opportunities including joint ventures and strategic alliances and actively contributed to the merger between Sandoz & Hindustan Ciba Geigy in formation of Novartis India Limited, and subsequent demerger of the chemical businesses to form Ciba Specialty Chemicals India Limited. Mr Bilimoria also served as a member on the Committee of the Bombay Chamber of Commerce and the Indo Swiss Business Forum.



Mr V Leeladhar

Mr V Leeladhar

Mr V Leeladhar has a long experience in the banking industry having served as the Executive Director of the Bank of Maharashtra, Chairman and Managing Director of Vijaya Bank and Chairman and Managing Director of Union Bank of India. He also served as the Deputy Governor of the Reserve Bank of India for over four years. Mr Leeladhar is an expert on banking and finance-related issues. He was also a member of the Securities & Exchange Board of India for about three years. His expertise is in the area of banking and finance.



Mrs Mallika Srinivasan

Mrs Mallika Srinivasan

Mrs Mallika Srinivasan is the Chairman and Chief Executive Officer of Tractors and Farm Equipment Limited, a flagship company of the Amalgamations Group. A thought leader and strategist, recognised for her commitment to excellence and contribution to Indian Industry, she has been at the helm of



Mr Analjit Singh

affairs of industry bodies and trade associations such as Tractor Manufacturers Association, Madras Management Association, Madras Chamber of Commerce and Industry and the Southern Regional Council of CII. She is also a director of five other Indian companies. She is a recipient of several business awards and has also been recognised by *Business Today* for seven consecutive years as one of the 25 most powerful women in Indian business. She shares an avid interest in academia, particularly management education and is a member of the Executive Board of Indian School of Business, Hyderabad.

Mr Analjit Singh

Mr Analjit Singh is the Chairman of Max India Limited as well as its subsidiaries Max New York Life Insurance Company Limited, Max Healthcare Institute Limited and Max Bupa Health Insurance Company Limited. He has been the driving force behind the group's sustained growth and success since inception. He was conferred the prestigious Padma Bhushan Award by the Government of India for the year 2011.

Mr Singh is a Member of the Prime Minister's Joint Indo-US CEO's Forum. He is the non-executive Chairman of Indus Towers and is a director on the board of some leading Indian companies such as Tata Global Beverages, Vodafone Essar, Hero MotoCorp Ltd, Dabur India and Sofina NV/SA, Belgium.

Mr Singh is actively involved in governing several educational institutes of prominence as an Executive Board Member of the Indian School of Business (ISB), Hyderabad, and as Chairman of the new ISB Mohali Campus Advisory Board. He is also the Chairman, Board of Governors of the Doon School, Dehradun and recently appointed as Chairman of the Board of Governors of the Indian Institute of Technology, Roorkee.



Mrs Ranjana Kumar

Mrs Ranjana Kumar

Mrs Ranjana Kumar retired as Vigilance Commissioner in Central Vigilance Commission, Government of India. She was also a Member, Governing Council, National Innovation Foundation, Ahmedabad. She had held very significant positions in her career, including that as the Chairperson and Managing Director of Indian Bank, Chairperson of National Bank for Agriculture and Rural Development (NABARD), Executive Director, holding concurrent charge as Chairman and Managing Director of Canara Bank and CEO of the US operations of the Bank of India based in New York. She regularly addresses managements of a cross-section of public sector undertakings on various aspects concerning management, leadership, issues relating to human resource management, etc.



Mr Ajay Shankar

Mr Ajay Shankar

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 and 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.



Mr Percy Siganporia

Mr Percy Siganporia

Mr Percy Siganporia graduated from Loyola College, Madras and obtained a PGDBM in Marketing from XLRI, Jamshedpur. He joined the Tata Administrative Services in 1974 and since 1975 has held several middle and senior level positions in Tata Tea Ltd.



Mr Peter Unsworth

He was appointed as an Executive Director at Tata Tea Ltd in 2000 and promoted to Deputy Managing Director in 2001. Three years later he became the Managing Director and transferred to London in 2009.

Mr Siganporia led several critical projects for the Company such as the launch of plantation-packed polypacks in South India; building dominant regional brands, namely, Kanan Devan, Gemini and Chakra Gold; turned around the profitability of the Packet Tea Division and led the Due Diligence team that worked on the acquisition of Tetley in the year 2000.

He was elected Chairman of Mount Everest Mineral Water Limited in 2007 and is now Director at Tata Coffee and the Managing Director of Tata Global Beverages Ltd. Percy was deputy CEO of Tata Global Beverages Group and, following Peter Unsworth's departure, he is now acting CEO.

Mr Peter Unsworth

For the financial year, Peter Unsworth was the Chief Executive Officer of the Tata Global Beverages Group. He was responsible for co-ordinating strategy and implementing, monitoring and co-ordinating management for all Tata Global Beverages Group companies located in different parts of the world. Peter was a Non-Executive Director on the Board of Tata Global Beverages Limited.



Building an organisation with clear differentiating capabilities

Our transformation is being enabled by our dynamic culture and through the valued contribution of our teams, unions, associates, partner organisations, suppliers, vendors, key customers and all of our consumers.



Management and governance

Executive management

The beverage business is overseen by an executive team which operates under the overall supervision and direction of the Boards of Tata Global Beverages Limited and that of its respective subsidiaries. The executive team has been formed with a view to streamline the global operations of the beverages business, considering in particular the widespread presence of the entities carrying on this business across various countries. It operates under the schedule of authority approved by the relevant entities.



Percy Siganporia
Deputy CEO

Percy Siganporia Deputy CEO

Following Peter Unsworth's departure, Percy has been acting CEO of the Group. Percy was Deputy CEO of the Group and he is Managing Director of Tata Global Beverages Ltd. Percy has over 35 years' experience of working in the tea industry, and you can read more about Percy in the Board of Directors' section.



L Krishna Kumar
Group CFO

L Krishna Kumar Group CFO

Graduated from Loyola College in Madras and subsequently obtained professional qualifications in Chartered Accountancy, Cost Accountancy and Company Secretarial. He also holds a diploma in systems analysis. He has held several senior positions in consulting and industry. After qualifying as a Chartered Accountant from A F Ferguson and Co, he worked with them for five years as a Senior Consultant with their management consultancy division. During this tenure he supervised a variety of engagements, both within and outside India. He subsequently worked with Larsen and Toubro Limited, a diversified conglomerate company, in a variety of areas and was lastly in their corporate office as General Manager, Finance. He joined the Tata Group in 2000 in the hotels business as its Vice President Finance. He took over the head of finance function of Tata Tea in India in the year 2004 and has been part of its growth story since then. He is currently the Group CFO and supervises the finance, governance and IT functions.



Nalin Miglani
Chief Human Resources Officer

Nalin Miglani Chief Human Resources and Communications Officer

Nalin joined Tata Global Beverages in 2008. Prior to Tata Global Beverages, Nalin worked with The Coca-Cola Company and British American Tobacco. During his career, Nalin has held global human resources and communications leadership positions. Nalin's passion is building great marketing-led businesses. Nalin has worked and lived in India, Switzerland, Australia and the UK.



Peter Unsworth
CEO

Peter Unsworth CEO

Peter was CEO of the Group for the financial year 2010/11. Unfortunately Peter decided to leave the business at the year end. As CEO of the Group since 2008, Peter led both its integration and transformation, demonstrating a high level of personal commitment and diligence. His strong sense of purpose and his resilience in the face of many challenges have enabled the business to make huge progress, both towards creating a robust strategy and developing a new culture to support an ambitious growth agenda. Peter's contribution has been greatly appreciated by the Tata Group Board of Directors and employees at Tata Global Beverages.

Management and governance

Corporate information

Board of Directors

R N Tata (*Chairman*)

R K Krishna Kumar (*Vice-Chairman*)

F K Kavarana

U M Rao

A R Gandhi

M Srinivasan (Mrs)

A Singh

J S Bilimoria

V Leeladhar

Ranjana Kumar (Mrs)

Ajay Shankar (*joined from 30.4.2010*)

P D Unsworth (*up to 30.6.2011*)

P T Siganporia (*Managing Director*)

S Talwar (Mrs) (*Whole-time Director*) (*up to 30.7.2010*)

V Madan (*Vice-President and Secretary*)

Registered office

1 Bishop Lefroy Road, Kolkata – 700 020.

Telephone: 22811807/3709/3779/3891/4422

Fax: 22811199

Website: www.tataglobalbeverages.com

Solicitors and legal advisers

Amarchand & Mangaldas & Suresh. A. Shroff & Co.

AZB Partners

Dua Associates

Khaitan & Co.

Orr, Dignam & Co.

Registrars

Equity Shares and Fixed Deposits

TSR Darashaw Limited

(Formerly Tata Share Registry Limited)

(Unit: Tata Global Beverages 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 Rajji & 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.

Yes Bank Limited

Board committees

Audit Committee

1. J S Bilimoria (*Chairman*)

2. R K Krishna Kumar

3. U M Rao

4. V Leeladhar

5. A R Gandhi

6. Ranjana Kumar (Mrs)

Shareholders'/Investors' Grievance Committee

1. F K Kavarana (*Chairman*)

2. U M Rao

3. Ajay Shankar (*from 30.4.2010*)

Remuneration Committee

1. Ranjana Kumar (Mrs) (*Chairman*)

2. R K Krishna Kumar

3. U M Rao

4. A R Gandhi

5. V Leeladhar

6. J S Bilimoria

Executive Committee

1. R N Tata (*Chairman*)

2. R K Krishna Kumar

3. U M Rao

4. Managing Director, Executive Directors & Group CFO

5. Managing Director/Executive Directors of Indian subsidiaries

Nomination Committee

1. R N Tata (*Chairman*)

2. R K Krishna Kumar

3. F K Kavarana

4. A R Gandhi

Ethics and Compliance Committee

1. F K Kavarana (*Chairman*)

2. P T Siganporia

Corporate Sustainability Reporting Committee

1. U M Rao (*Chairman*)

2. Prof. S Parasuraman (*Expert Member*)

3. P T Siganporia

Management and governance

Directors' Report

Your Directors are pleased to submit their report together with the audited statement of accounts for the year ended 31 March 2011.

1. Highlights – Consolidated Performance

Your Company performed well in a difficult operating environment. Consolidated Operating Income of Rs. 6,005 crores was three per cent higher than the previous year. At constant exchange rates, the growth would have been six per cent. The year was particularly challenging due to rising commodity costs both in tea as well as coffee, exacerbated by a difficult trading environment due to intense promotional activity by competition across key regions. Despite the challenging environment, the Group reported a year-on-year sales growth of Rs. 370 crores at constant exchange rates, on account of price increases enabled by the strength of our brands, improved performance by instant coffee business coupled with favourable impact of acquisitions. Profit from Operations for the year under review at Rs. 509 crores was impacted by commodity cost increases coupled with increased investment behind brands, product development and new market launches, essential to preserve the long-term health of our business. Resultantly, profit after tax was Rs. 292 crores compared to Rs. 393 crores reported in the prior year.

The Group's strategy is to grow in core tea and coffee markets whilst pursuing disruptive innovation in "good-for-you" beverages. The focus will be on achieving a stronger footing in the US and Russian markets and expanding across beverage categories in South Asia and other regions. Equally important will be to leverage scale and operations capability to improve efficiencies.

2. Stand alone Financial Highlights

The Directors now present below the stand alone financial highlights for 2010/11:

	2010/11	2009/10	Rs. Crores
Total income	1914		1837
Profit before interest, depreciation, exceptional items and tax	248		312
Deduct:			
Interest (net)	(29)	(45)	
Depreciation	(12)	(12)	(57)
Profit before tax and exceptional items	207		255
Exceptional income (net)	23		240
Profit before tax	230		495
Provision for tax	(49)		(104)
Profit after tax	181		391
Add: surplus brought forward from previous year	346		158
Amount available for appropriation	527		549
Proposed dividend	(124)	(124)	
Income tax on dividend	(18)	(19)	
Transfer to general reserve	(18)	(39)	
Transfer from debenture redemption reserve	81	-	
Transfer to debenture redemption reserve	(81)	(21)	(203)
	367		346

The Company was able to implement price increases in selective categories, to recover a significant part of the input cost increases during the year. Your Company performed creditably in a difficult year, maintaining volume leadership in India, with the key brands recording impressive growth. The Company continued to invest behind its brands and aggressively pursue its innovation agenda by introducing new health and wellness products and creating different ways of increasing the consumption of tea at various price points.

Total income for 2010/11 at Rs. 1,914 crores registered a four per cent increase over the previous year, attributable to improved branded tea business aided by price increases and volume improvements. Profit before tax and exceptional items at Rs. 207 crores was lower due to input cost increases and increased spend on brand building. Exceptional items in the previous year included significant profits from sale of investments. Profit after tax at Rs. 181 crores, also reflects this lower profits from the sale of investments compared with the previous year.

Management and governance

Directors' Report

Continued

3. Dividend

The Directors are pleased to recommend for the approval of the shareholders a dividend of Rs. 2 per share on the paid-up equity share capital of the Company in respect of the financial year 2010/11 as compared with the dividend of Rs. 2 per share declared last year.

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 Ministry of Corporate Affairs has by its notification dated 8 February 2011 granted a general exemption to companies, as per which, the provisions of Section 212 shall not apply in relation to subsidiaries, subject to the fulfilment of certain conditions. Accordingly the consolidated financial statements of the holding company and all subsidiaries duly audited by its statutory auditors have been presented and the individual accounts of each of the subsidiary companies have not been attached.
- 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) a. Tata Coffee Limited, a subsidiary of the Company, reported an increase of 20 per cent in total operating income. The growth is attributable mainly to improved instant coffee performance, which was impacted by weaker volumes in the previous year. Profit from operations more than doubled as a result of improved trading performance and favourable exchange impact compared with previous year. As a result, profit before and after tax improved significantly over previous year further aided by profit from sale of investments despite lower dividend received from its subsidiary. The Directors of Tata Coffee Limited have recommended a final dividend of Rs 5 per share which is in addition to the interim dividend of Rs. 5 per share paid by Tata Coffee Ltd. in January 2011.
- b. Eight O'clock Coffee Company, USA, (EOC) a subsidiary of Tata Coffee, performed well in a challenging year which was characterised by unprecedented rises in commodity costs, particularly Arabica. The operating income for 2010/11 at constant exchange rates was at the same level as in the previous year. Price increases taken during the year offset the impact of some lower volumes. Despite maintaining the turnover at previous year levels, the impact of commodity cost increases left profit after tax marginally below the previous year.
- iii) The Company's wholly owned subsidiary in the USA, Tata Tea Extractions Inc (formerly Tata Tea Inc.), reported a lower operating income in 2010/11 compared to 2009/10 as the previous year had the benefit of liability write-back. Profit after tax was also lower reflecting the write back in the previous year.
- iv) Mount Everest Mineral Water Ltd. (MEMW), the Company's subsidiary, recorded a higher operating income aided by higher service income. In order to minimise the impact of input costs, MEMW focused on operating cost optimisation through a series of initiatives in product mix rationalisation, vendor development, development of procurement efficiencies and factory upgradation. As a result of these measures, the loss for the year decreased compared with the previous year.
- v) The consolidated accounts of Tata Global Beverages Group Limited (formerly Tata Tea (GB) Ltd.) reflects the financial performance of the Tetley Group during 2010/11. Operating income was higher by six per cent attributable to the benefit of price increases in major markets and favourable impact of acquisitions. At constant exchange rates the sales growth is higher by 10 per cent. Despite an increase in input costs and increased investment behind brands and growth initiatives, profit after tax is favourable compared with previous year due to the absence of adverse foreign exchange translation impact on surplus funds held in USD. In the year under review, potential for such currency fluctuations has been capped by conversion / forward sale of dollar into sterling.
- vi) Estate Management Services Pvt. Limited, Sri Lanka, where the Company effectively owns 49 per cent of the shares is the holding Company of Watawala Plantations Ltd. (WPL). WPL recorded a higher turnover and improved profitability reflecting the increase in realisation for Sri Lankan teas.

vii) The turnover of Amalgamated Plantations Private Limited (APPL), in which the company owns a 49.07 per cent stake, was marginally lower than in the previous year. While the company benefitted from higher realisation for its teas, it was impacted by lower crop due to adverse weather conditions and pest attack. With the objective of encouraging share-ownership amongst employees and to build long term employer-employee relationships and create opportunities for wealth creation, APPL successfully completed an issue of 6% Cumulative Compulsorily Convertible Participatory Preference Shares (CCCPPS) during 2010/11. Additionally, APPL is also supported in its initiatives by the International Finance Corporation (IFC), Washington which is also an equity shareholder in APPL.

5. Joint Venture in Liquid Beverage Business

Last year we reported that the Company had signed a Memorandum of Understanding (MoU) with PepsiCo Inc. USA for exploring the possibility of the formation of a Joint Venture (JV) in the area of non-carbonated ready-to-drink beverages. We are happy to now report that the Company and PepsiCo India Holdings Private Limited (PIH) have formed a JV company, named NourishCo Beverages Limited, in which the Company and PepsiCo each hold 50 per cent of the equity capital. The vision of the JV is to develop the business in India and internationally focusing on health and wellness beverage products. This JV is expected to launch a slew of fortified and "good-for-you" health products.

The year under review was marked by interim transition of sales and distribution of Himalayan Water to PIH, en route to NourishCo Beverages Ltd. This transition, effective 1 February 2011, although in its embryonic stage, is expected to drive market reach and volumes of Himalayan Water, afforded by the wider distribution network of PepsiCo India, going forward.

6. MoU with Starbucks

The Company together with its subsidiary, Tata Coffee Limited, has signed a non binding Memorandum of Understanding (MoU) with Starbucks Coffee Company. This MoU will create avenues of collaboration between the two companies for sourcing and roasting high quality green coffee beans in Tata Coffee's Coorg, India facility.

7. MoU with Kerala Ayurveda Limited

The Company has signed a MoU with Kerala Ayurveda Limited to enter into a 50:50 joint venture for facilitating the development of a range of leading edge, functional and great tasting beverage and food products based on proven Ayurvedic recipes, actives and formulation with necessary research, development and commercialisation capability. The definitive agreements are being finalised.

8. Acquisition of stake in Activate

The Group acquired a 31 per cent stake, calculated on a fully diluted basis, in The Rising Beverages Company LLC. Rising Beverages manufactures and markets a range of vitamin and flavour enhanced water using unique powder dispensing technology, under the "Activate" brand. This acquisition would give us access to the functional water category which is one of the fastest growing beverage categories in the US. The Company has the option to increase its stake in Rising Beverages in the event the agreed performance criteria are met.

9. Review of Activities

A. The Indian Tea Industry

Fiscal 2010/11 was another good year for the Indian Tea Industry, which witnessed strong commodity prices on the back of buoyant domestic demand estimated at 3 per cent to 4 per cent. All India crop was lower than the previous year by 12.50 M kgs largely due to adverse climatic conditions. The markets experienced a significant rise in price levels from August 2010 onwards due to the loss of crop attributed to excessive rain and pest attacks and the consequence of this was lower exports compared to the previous year.

B. Domestic Branded Tea Operations

The company's key domestic brands such as Tata Tea Premium and Chakra Gold performed well during the year under review. The branded business reported a value growth of 6 per cent and a volume growth of 2 per cent over the previous year.

Tata Tea Gold continued its robust growth story with a 10 per cent volume growth over previous year, backed by a successful consumer promotion that brought new trials for the brand.

Our flagship brand, Tata Tea Premium, made a strong recovery, buoyed by a successful restage and key initiatives undertaken on the brand which included introduction of a new pack face, a fresh proposition driven primarily by a new TV campaign and massive ground level activation.

Management and governance

Directors' Report

Continued

Our strong brand, in the value segment, Tata Tea Agni, saw robust growth and was 8 per cent ahead in volume terms over the previous year.

The 25 Years celebration of Kanan Devan was supported by media advertising with the strapline "Winning challenges with a smile for 25 years" and received a positive response from customers and consumers.

Chakra Gold launched a new thematic campaign which strengthens the "open up your mind" proposition that has helped increase the positive disposition of the brand among users of competitive products.

Tetley experienced continuous on ground activation coupled with a new global brand proposition and product extensions, which led to the most profitable year for the brand since its launch in India.

The influential Jaago Re Campaign continued, and a new film was launched which focused on corruption in the education system. This was supported by www.jaagore.com, an online portal that aims to connect the concept of 'Social Awakening' to reality. The portal seeks to herald a new movement of change by providing a common platform for exchange of ideas and resources between citizens and social change agents – both NGOs and individuals. A first in India, the portal has 6.2 Lakh registered users since it was first launched in 2008. There are 170 NGOs, 340 volunteering opportunities and an average of 100 volunteers per month.

In a challenging market environment we are very pleased that the Company maintained its volume leadership in the tea market in India. While the environment will continue to witness competitive pressures, the Company is developing a fresh strategy to counter competition in the branded tea sector in India. To start with, the Company is conducting a host of market activation programmes and on-ground promotions to promote all its brands across the country. The Company also plans to refresh and relaunch its tea brands with a view to attract new consumers.

C. International Branded Operations

The global Tetley brand was revitalised during the year, with a strong and renewed focus which will be at the heart of the brand's ongoing growth agenda. Building on its strong heritage, the Tetley brand continues to develop a broad range of new and exciting teas to suit all cultures, tastes and moods in a variety of formats around the world, particularly for non-black tea variants such as Redbush and Green.

The Group continues to focus on geographical expansion as well as widening its brand and product portfolio. Some of the key initiatives taken in 2010/11 included the test launch of SUKK (a jelly based drink) and T4 Kidz and Tetley Soya in the UK; Tetley for Soy, Billy Campfire & Kitchen Brew variants in Australia and the launch of our products in the Middle East. We continued the emphasis on the speciality category in the UK and Tetley Infusions in Canada, with the launch of two new flavours. Further initiatives are under way for breakthrough innovation in our key strategic growth areas of health and wellness, convenience and sustainability.

Following the decision taken to move to Rainforest Alliance certification of all Tetley products by 2016, the first certified consumer products have appeared on the shelf. Farmer's First Hand, a web-based promotional activity on Facebook, is being used to support the transition to Rainforest Alliance Certified Tea.

D. Instant Tea

The Instant Tea division reported higher production as well as sales during the year 2010/11. During the year, the division developed a new black instant tea powder for one of its existing customers in Japan.

Zhejiang Tata Tea Extraction Company Limited, China which is a subsidiary of the Company, is a joint venture with Zhejiang Tea Group Company Limited, China set up for the manufacture and marketing of Instant Tea, Tea Polyphenols and tea concentrates. The capacity planned in this facility is 1,750 MT. The market for Green tea extracts is growing at a good pace and as this facility caters exclusively to this segment, the share of the company in this segment will stand to benefit. The project progressed well during 2010/11 and has commenced production of Green Instant Tea products. Exports to various geographies including the US and Europe as well as sales to domestic customers are expected to commence during the second half of the current year.

E. Exports

Exports during the year at FOB value of Rs. 156 crores were in line with 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.

F. Plantation Operations

Crop production for the year ended 31 March 2011 at the Company's Pullivasal and Periakanal Estates was 19.79 Lakh kgs against the previous year crop of 21.94 Lakh kgs. The yield achieved was lower by 10 per cent due to unfavourable weather conditions.

The productivity achieved by Pullivasal and Periakanal estates to end 31 March 2011 was 50.65 kgs against 51.70 kgs achieved for the same period of the previous season. The combined productivity achieved by these two estates during the year is the second highest while the plucking average of 51.46 kg achieved by Pullivasal Estate is an all time record.

Kanan Devan Hills Plantations Private Limited (KDHP) has completed the sixth consecutive year of strong performance and has underscored the strong fundamentals of the unique business model of employee empowerment practiced in the company. Though the operations of the year gone by were affected by adverse weather conditions and softening of prices for teas produced in South India, it still posted excellent financial results, second only to the record results for the year ended 31 March 2010. With representation from all sections of the employees on its Board as well as following a participatory nature of management, KDHP has excelled in creating a unique self sustaining model for the company. With over 11,000 employees spread over 7 estates and 16 factories, it has now transformed itself into the largest Tea producing company in South India.

G. Community Development, Employees' Welfare and Environment Conservation

The Company's contribution to society and its welfare continued through community development and social welfare schemes such as the General Hospital at Munnar, the High Range School and Srishti Welfare Centre. Key activities undertaken by the General Hospital included an awareness programme on HIV/AIDS, and awareness programmes on bio-medical waste management and the importance of voluntary blood donation. The Hospital also carried out a breast cancer awareness programme and periodic diabetic clinics. The Srishti Welfare Centre, which provides education and vocational training to mentally and physically challenged persons, received a runner-up award for outstanding safety performance from the National Safety Council (Kerala Chapter) for the year 2011.

10. Industrial Relations

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

As part of the Company's integration programme, the relocation of employees from our historical home in Kolkata to Bangalore was successfully accomplished. The Company also offered the option of voluntary employee separation scheme to employees of the non management cadre who were unable to relocate to Bangalore for personal reasons.

11. Corporate Governance & Management Discussion and Analysis (MDA)

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

12. Tata Business Excellence Model (TBEM)

The Company will continue to participate in the TBEM external assessment in the current year as well. The feedback received from the assessment conducted in 2010 has helped the Group to confirm many actions as well as realise new opportunities. This will be the second time we will be assessed as Tata Global Beverages on a consolidated basis. Senior leadership team in the Group has taken individual ownership of the various TBEM categories. Each of the category owners will now head a team that meets regularly to progress as per a calendar that has been drawn up for this activity.

13. 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, the Directors hereby confirm that:

- i) In the preparation of the Annual Accounts for 2010/11, 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 judgments 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.

Management and governance

Directors' Report

Continued

- 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.

14. Directors

During the year Mr. Ajay Shankar was appointed as an Additional Director with effect from 30 April 2010 and he was subsequently appointed as a director liable to retire by rotation at the Annual General Meeting held on 23 August 2010.

Mrs. Sangeeta Talwar, Executive Director, resigned from the services of the Company with effect from 1 August 2010 to pursue a new assignment with a non-profit company. Your Directors wish to note their appreciation for her contribution to the development of the company.

Mr. P D Unsworth resigned as the CEO of the Tata Global Beverages Group and as a director from the Board of the Company with effect from the close of 30 June 2011 for personal reasons. As CEO of the Tata Global Beverages Group since 2008, Mr. Unsworth led the Group's integration and transformation agenda in the face of many challenges which enabled the business to make huge progress both towards creating a robust strategy and developing a new culture to support the ambitious growth. The Board wishes to place on record its deep appreciation of the contributions made by Mr. Unsworth towards the progress of the Company and its subsidiaries.

Mr. R K Krishna Kumar, Mr. A R Gandhi, Mr. J S Bilimoria and Mrs. Mallika Srinivasan 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.

15. 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.

16. 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.

17. 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.

18. Concluding Remarks

The 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 2010/11 without which such performance given the challenging environment would not have been possible.

On behalf of the Board of Directors



(R N TATA)
Chairman

Annexure to the Directors' Report

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 31 March 2011:

A. Conservation of Energy

1. Energy conservation measures taken during 2010/11

Energy conservation measures taken at the Company's estates included replacement of motors in Continuous Fermenting Machines with wind assisted exhausts and close monitoring of running of fans in the troughs.

In the Cochin unit, energy conservation measures included installation of an additional capacitor bank - 100 KVAR (Kilovolt-Ampere-Reactance) with an automatic power factor controller.

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

The estates continued to encourage use of CFL at households as done in the previous years and are expected to result in an additional investment of approximately Rs. 3 Lakhs. Workers are provided these CFLs at a highly subsidised rate in easy installments. This has contributed to a saving of about 80 per cent in power consumption.

3. Impact of the measures taken

The replacement of motors in Continuous Fermenting Machines and close monitoring of running of fans in the troughs have helped reduce power consumption.

The additional capacitor bank installed in the Cochin Unit resulted in the improvement in power factor to 0.99 (0.93 per cent in 2009/10) with an increase in the incentive to Rs. 60,000 per annum (Rs. 20,000 per annum in 2009/10), which is almost 1 per cent of the total power cost. At the existing peak maximum demand of 360 KVA, the improvement in power factor translates to an anticipated reduction in maximum demand of about 20 KVA resulting in a monthly saving of Rs. 350 / KVA equivalent to Rs. 7,000 per month. Other benefits expected as a result of improvement in power factor includes reduction in loss of power in the distribution system, improved voltage which will help in machine efficiency and prevention of overheating and premature failure of motors and other inductive equipment.

Management and governance

Annexure to the Directors' Report

Continued

Form A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	2010/11	2009/10
Power & Fuel Consumption		
Electricity Purchased		
Units (lakhs kwh)	122.73	108.53
Total amount (Rs./Lakhs)	621.58	509.61
Rate/Unit (Rs./kwh)	5.06	4.70
Own Generation (Through Diesel Generator)		
Units (lakhs kwh)	11.32	12.52
Total amount (Rs./Lakhs)	136.44	129.66
Units/Ltr of diesel	3.17	3.72
Rate/Unit (Rs./kwh)	12.05	10.35
Coal		
	-	-
Furnace Oil		
Quantity (kl)	3,269.20	2,864.76
Total Cost (Rs./Lakhs)	863.26	653.29
Average Rate (Rs./kl)	0.26	0.23
Others - Firewood		
Quantity (lakh/Cu.Mt)	0.21	0.24
Total Cost (Rs./Lakhs)	254.81	218.39
Average Rate (Rs./Cu.Mt.)	1,197.70	924.76
Consumption Per Unit of Production		
Tea		
Electricity (Units/Kg of Tea)	0.15	0.14
Firewood/1000 kg of sifted tea	7.85	7.26
Instant Tea		
Electricity (Units/Kg of Tea)	2.63	2.64
Furnace Oil (Ltrs/Kg of Tea)	1.67	1.56
Coal	-	-
Others - Firewood (Cu.Mt.'s/Kg of Tea)	0.003	0.005

Previous year's figures have been regrouped/reclassified wherever necessary.

The rate per unit of electricity purchased has gone up by 8 per cent in 2010/11 due to the increased rate of electricity charges.

The decrease in units of own generation of electricity per litre of diesel was due to use of hired gensets of lower capacities during the period when our generators were undergoing maintenance.

Higher consumption of furnace oil at ITO is on account of lower 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 to meet the global growth agenda, packaging development, sustainability initiatives, and technical support to ensure product compliance in different geographies and working with the trade to develop new regulations and improve capabilities for compliance.

The new product and process improvement programme covers tea, coffee and tea based liquid beverages and includes working with healthy ingredients, ingredient companies, collaborative projects and investigation of opportunities for collaboration with companies globally. A key area of development was that of beverages using ingredients beneficial to health which also includes herbs, extracts and other healthy ingredients. The technical support and audit programme provides data on product and packaging to monitor conformance to quality requirements. The technical support projects are development of packaging materials and innovative and sustainable packaging options, analytical method development and the analytical support program to ensure consumer safety and conformance to the quality specifications.

The setting up of a Global R&D function with units operating in India, the UK and the USA has facilitated close collaboration with the Global Innovation and Global Marketing functions in the UK to develop product concepts for a global customer base. Adoption of Stage and Gate Model for Product Development initiatives has helped the function to align itself well with the Company strategies and plans.

Development of improved packaging materials which are recyclable, and biodegradable laminates for secondary packing of tea are the important areas of work during the year, targeting the global initiatives for sustainability.

Development of new products and processes involves identification and use of healthy ingredients (including Ayurvedic ingredients) to supplement the healthy image of tea and coffee, and scouting and identification of technologies and processes to suit the requirements of the development program. This work includes discussions with global experts and suppliers who have established credentials, to evaluate their offerings. This has helped the Company to evaluate new technologies and to improve the understanding of various ingredients, its interactions, their functionalities and their potential application. Exploratory discussions with potential International collaborators have broadened the new product and technology opportunities being investigated this year.

Collaborative research, sponsored analytical work and technical discussions were held with institutions like CFTRI, SNDT Women's University, NIN, CIPET and Commercial establishments like DSM, Cargill, Global Calcium and Synthetic Industries, analytical facilities like Vimta, Shiva Analytical, SGS, MicroChem-Silliker and TUV-SUD in India and Eurofins in Germany. The range of activities of these collaborations were to aid technical resolution of issues, 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

Flavoured green tea with Lemon and Mint flavour was launched during the year under Tata Tea Premium Trim brand, as a line extension of the existing range of flavoured tea bags.

A hot lemon tea premix developed for vending operations has been commercialised.

Three premixes were developed for hot vending operations – Chocolate milk, Badam milk and Tomato soup, and were launched under Tata Café Jiffy brand.

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 Ready to Drink (RTD) beverages from all packing centers. The analyses carried out are iron filings, pesticide residues, heavy metals PFA specifications for tea and all food safety requirements for RTD beverages. All the samples analysed showed total compliance to specifications indicating the Company's commitment to quality and consumer safety. A testing program to ensure conformance of packaging materials to quality specifications was also undertaken during the year.

Management and governance

Annexure to the Directors' Report

Continued

R&D continues to work on local and international legislation and standards with industry committees. The interactions are with Tea Board, BIS, CII and FICCI in India to provide comments and proposals on regulations and draft legislation introduced by the Government. The Company also interacted with the FAO IGG Working Group, Tea Associations and Tea Packers Association and, the Indian Tea Board MRL sub-Committee on pesticides for development of new regulations for tea.

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

3. Future Plan of Action

R&D will continue to develop a portfolio of new products and processes targeting "good-for-you" products with focus on health and nutrition. The emphasis on innovative and differentiated product development will contribute to the New Product Development (NPD) funnel that is focused on keeping in step with the rapidly changing global beverages market. More focus would be given for innovation and adoption of new technologies and processes to develop and optimise products for the target consumers. The key challenge for the future is to develop new technologies and to broaden the range of products to meet the Company's global growth agenda. Improvement in facilities and resources and optimum resource utilisation will also be a focus in the coming year.

NPD Projects of global nature, which are commercial and technically driven, with a health focus, will increasingly be part of the agenda. These are evaluated quickly to identify those of significance to the Company's strategic growth plan. More collaborative work between the R&D units in India, UK and USA will be undertaken with the increasing possibility of exchange of technical personnel, 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. Addressing of sustainability initiatives through development in packaging will be a thrust area in the coming year.

Testing programs to monitor compliance of tea products and packaging materials to quality specifications will continue in the next year.

Work will also continue with the CII, FICCI, Tea Board, BIS etc and the regulatory bodies including the FSSA 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, involvement in the development of National and International standards will continue to be part of the work programme.

4. Expenditure on R&D

	Rs. Lakhs	
	2010/11	2009/10
Capital	2.48	64.45
Revenue	321.99	383.10
	324.47	447.55
R & D expenditure as percentage of turnover	0.18	0.26

5. Technology Absorption, Adaptation & Innovation

i) Efforts, in brief, made towards technology absorption, adaptation and innovation:

The efforts in technology adaption and innovation resulted in the development of the following products:

- Development of Flavoured Tea: Lemon and Mint variants
- Development of Hot lemon tea premix for vending
- Development of vending premixes for hot chocolate milk, Badam milk and Tomato soup

ii) 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. Our in-house R&D team located across India, UK and in USA, work with a network of Research organisations to develop and source unique and “bespoke” product formulations, which allow our Commercial teams to regularly introduce new and exciting variants to our existing lines of Tea, Coffee, Fruit and Herbal infusions and fortified beverage solutions. The New Product Agenda will focus on growing our “good-for-you” beverage agenda and the address of “convenience based offerings”.

iii) 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 during the year at FOB value of Rs. 155.56 crores were in line with the previous year’s numbers. 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. Efforts to promote exports in these markets will continue to be pursued.

	Rs. in Lakhs	
	2010/11	2009/10
Value of Imports		
Raw Materials	3625.59	3548.87
Stores, spare parts and packing material	1868.76	1640.10
Capital goods	7.23	1023.78
Expenditure in Foreign Currency		
Selling expenses	265.89	320.38
Foreign travel	128.24	99.88
Professional fees	95.68	65.96
Management service fees	1735.87	1717.12
Other expenses	244.18	311.53
Foreign Exchange Earned		
FOB Value of exports	15556.48	15558.84
Technical service fees - gross	89.30	93.55
Dividends gross	5345.55	6955.21
Management service fees	704.56	642.83
Others (Freight, Insurance, etc.)	1159.77	821.89

On behalf of the Board of Directors



(R N TATA)
Chairman

Mumbai,
28 July 2011

Management and governance

Management discussion and analysis report

Executive Overview

Tata Global Beverages is a virtually integrated beverage business with the vision to be a global leader in branded “good-for-you” beverages, through disruptive innovation, strategic acquisitions and organic growth. The new name of your Company, adopted in July 2010, united the beverage interests of the Tata Beverage Group under one umbrella and signalled its global ambition. Your company’s markets and operations are truly global, with 70% of turnover now generated outside of India, up from 65% in the prior year.

The coining of Tata Global Beverages was the logical step in the Group’s evolution from its history in tea plantations to becoming a marketing and brand-focused organisation. It is no longer a tea and coffee commodity business - over 90% of our sales today are from branded products. The company has a portfolio of global and regional beverage brands, which we develop, market and distribute to customers.

During the year, your Company continued its exciting transformation. Your company’s raison d’être was established and it has set out “to make the world a better place through sustainable hydration”. Your company’s strategy to achieve this mission is based on six pillars - products, brands, distribution, people, process and sustainability. The culture and values of Tata Global Beverages add up to something unique that can be crystallised as a sense of “responsible irreverence”.

1. Industry Structure and Developments

Tea and coffee continue to be enjoyed by consumers in many countries around the world. Your company possesses strong, established brands in both categories that enable it to capture a sizeable proportion of the global tea and coffee market.

A strong trend is evolving as part of the consumer’s health and wellness agenda towards “good-for-you” beverages, differentiated by function, flavour and format. Your Company is on its way to seizing and fuelling this trend, such as through innovative tea variants and through alliances with third parties who have specific expertise.

Furthermore, sustainability and environmental concerns are playing a greater role in the business of consumer brands. Your company has embedded sustainability into its mission statement and roadmaps are now in place to tackle the issues of packaging, ethical sourcing, water and climate change. We have committed to source 100 per cent of our key agricultural raw materials and packaging components from sustainable sources and ensure that no packaging goes to landfill by 2015. We are also working towards better understanding the Group’s water footprint and committed to reducing carbon emissions.

In terms of your company’s supply chain, tea crop in India which saw a strong start in 2010 however ended lower than the previous year due to the impact of adverse climatic conditions both in South and North India besides pest attacks in certain parts of tea growing areas. The crop at 966.2 M kgs in 2010 was lower than the previous year by 12.50 M Kgs. The lower crop further impacted the export of teas from India. India exported 193.29 M kgs in 2010 as compared to 200.62 M kgs in 2009.

Domestic demand for teas grew by three per cent to four per cent and coupled with the lower supply led to increase in raw tea prices.

In the current year, there were good rains in the tea growing districts of Assam and the crop situation looks good. The market remained firm with mostly clean, old season teas being well competed for. Quality teas are expected to witness good demand from the domestic markets and continue to sell at a premium while medium / plainer varieties for both Orthodox / CTC’s should sell in line with quality. The outlook is for a dearer, strong market as new season’s teas go on sale. In contrast, the markets in South India are witnessing a weak trend as the weather has been drier.

By comparison, the global tea crop position during 2010 was comparatively in line with the previous year. The position was impacted by adverse weather conditions in most tea growing areas. There is a risk of volatility, due to the tight supply / demand scenario, but with long rains having started in Kenya, the situation is expected to ease, although it is a little early to predict that the rains will translate to good crop. The Kenyan and Sri Lankan crop in 2010 was higher than the previous year.

With regard to Coffee, 2010 began on a steady note for both Arabica and Robusta. Going by the prospects of the biggest ever 'on' year crop in Brazil that would ultimately result in only a marginal surplus in supply, no changes were witnessed in the prevailing price levels. Even though the market started steady there was a significant upward journey from the end of June onwards which meant that the price of Arabica appreciated by about 100% by the end of the year. Robusta was not left untouched by the explosive increase in Arabica but the extent of increase was far less at about 50%, as it showed a greater supply surplus than Arabica.

The water business from the current year will be undertaken by NourishCo Beverages Limited, the Joint Venture between your Company and PepsiCo. NourishCo have already drawn plans for distribution of Himalayan and the newly developed fortified water products. The vision of the water business is to offer a portfolio of leading edge health and wellness products in a wide range of formats and delivery options to straddle the entire consumer pyramid.

2. Consolidated Performance

Consolidated income at Rs. 6,005 crores for the year grew by three per cent against the prior year, despite a challenging trading environment, driven by price increases in the branded business and the favourable impact of the acquisition. The Group reported a year-on-year sales growth of six per cent at constant exchange rates. Operating profitability was adversely impacted by commodity cost increases and increased investment behind brands and new market launches. Further, costs were incurred in creating global capabilities across geographies and functions. As a result, profit after tax for the year was at Rs. 292 crores as compared to Rs. 393 crores reported in the prior year.

In the UK & Africa, the underlying income was higher than the prior year attributable to price increases in the UK and favourable impact of increase in stake in our Joint Venture in South Africa. Canada total income was ahead of prior year attributable to strengthening in the herbal/ethnic/specialty sales and growth in infusions (tea-based sachets) while Europe & Middle East sales improved due to impact of acquisition. The total operating income of South Asia growth against prior year was attributable to volume and price increases in Indian branded tea business. It was a challenging year for the US region resulting in some lower volumes as a result of price increases to recover higher input costs.

Strong brands and your Group's investment behind them meant that the Tata Global Beverages is both the volume and value leader in Canada whilst continuing to maintain its volume leadership in India.

The Group continues to focus on geographical expansion in addition to widening the product offerings. Some of the key initiatives included test launch of SUKK (a jelly based drink); T4 Kidz, Tetley Green Blueberry and Lemongrass & Honey in the UK; Tetley for Soy, Billy Campfire and Kitchen Brew variants in Australia; Metabolism Boost Eight O'Clock coffee in the US and two new Tetley Infusions flavours in Canada. In terms of distribution gains, your company launched products into markets in the Middle East and a range of Eastern European countries.

The consolidated financial highlights for 2010/11 are as follows:

	2010-11	2009-10	Rs. Crores Variance
Net Operating Income	6005	5821	184
Operating Profit	509	619	(110)
PBT before Exceptionals	485	625	(140)
Exceptional Items	10	16	(6)
PBT	495	641	(146)
PAT	292	393	(101)
Group Consolidated Net Profit	254	390	(136)

With a view to improving competitiveness, across key geographies and functions, your Group is undertaking a strategic review of the cost base and this exercise is expected to be completed during the current year.

We have also embarked on a medium term development plan for the beverage business identifying growth opportunities within existing categories and as well as through new business streams.

Management and governance

Management discussion and analysis report

Continued

3. Standalone Financial and Operating Performance

	Rs. Crores	
	2010/11	2009/10
Total Income	1914	1837
Profit before tax and exceptionals	207	255
Exceptional Income*(net)	23	240
Profit before tax	230	495
Provision for tax	49	104
Profit after tax	181	391

* Exceptional income represents profit on sale of non core investments offset by office reorganisation costs. In the prior year exceptional income included profit on sale of shares in an associate company offset by amortisation of employee separation scheme.

While Total Income improved as a result of a good branded product performance, profitability was affected due to increase in input costs and competitive pressures. The price increases taken by your company however softened the impact to a certain extent.

4. Product / Brand Performance

a) International Operations

Branded income for the year ended 31 March 2011 improved over the previous year on the back of price increases in most of the geographies.

Branded profitability for the year is adverse to prior year mainly due to the steep increase in commodity costs coupled with investment for growth. Significant amounts were incurred during the year on investment behind brands in markets like the UK, Europe and the US. In the UK for instance, the Tetley Tea Folk returned to consumer advertising campaigns after an absence of nearly a decade. In Canada, Tetley Herbal was repositioned to consumers using striking advertising and promotional activity.

The Tetley brand continues to develop a broad range of new and exciting teas to suit all cultures, tastes and moods in a variety of formats around the world. It has recently embarked on a sizeable global branding project, which led to a new, unified appearance for the brand on a global scale. Currently market leader in Canada, the brand's strong innovation agenda includes the first launch of Extra Strong tea, for a fuller flavour, Tea for Soya, specially created to be drunk with soya milk, and 'Infusions' – a liquid 'Real Brew' tea mix for water, which is performing well in Canada.

Region wise key performance highlights were as below:

Eight O'Clock coffee launched a new Metabolism Boost variant and refreshed its packaging. The brand was also selectively launched in certain European markets.

In Canada, Tetley has become the leader in Speciality tea in addition to Black tea and has gained considerable share in the last 52 weeks. The year saw the introduction of our Good Earth brand in the market.

In the UK, the Tetley Tea Folk were launched after many years and attracted quite a lot of press and public attention. Tetley brand relaunch featuring the Teafolk contributed to the highest spontaneous awareness amongst consumers for three years.

In Europe, the Tetley brand saw significant sales improvement in Poland. The brand was also launched in to Middle East markets.

Your Group will continue with its mission 'to make the world a better place through life enhancing sustainable hydration'. Towards this, an Innovation Council, with members from cross functional teams across the Tata Global Beverages Group has been established to ensure full engagement in the innovation process, and to bring projects to market more efficiently. A slew of growth initiatives are being actively pursued like Tetley Infusions, pack re-design for Tetley brand, Sukk launch, T4 Kidz, Organic tea, Redbush in key markets.

b) Domestic brands

All the key Indian brands performed well during the year and your company maintained its volume leadership. A major highlight was the success of the Jaago Re campaign, centred on 'social awakening'. Communication was integrated for the four major Tata Tea brands – Tata Tea Premium, Tata Tea Gold, Tata Tea Agni and Tata Tea Life - into one emotional platform that has resonated well with consumers and enhanced brand value. The intent has been to ensure that consumers of different Tata Tea brands see Jaago Re as their brand campaign. Your Company proposes to continue with the Jaago Re campaign, interspersed with specific brand communication as and when there is news on any of the brands in order to capitalise on its success. In pursuance of your Company's strategy to offer innovative "good-for-you" beverages, product development on vitamin-fortified variants is also under way.

Several brand initiatives were taken in India, including successful restaging of the flagship Tata Tea Premium, consumer on pack promotions in Tata Tea Gold and Tata Tea Agni as well as repositioning of brand Chakra Gold with the new thematic campaign which strengthens the "open up your mind" proposition, which aided improvement in the mind shares and imagery parameters. Several new products were launched in India to widen the portfolio. The water business in India saw marginal drop in volumes against the previous year due in part to the restructuring of distribution. This business along with the proposed launch of functional water products will now be launched from our Joint Venture with PepsiCo India, NourishCo Beverages Limited.

5. Outlook

The outlook for your company is promising, in light of its refreshed mission and vision and clear strategic framework. Tata Global Beverages' leadership team and employees at all levels are in line with the strategy and working towards making it a success.

The recent brand investment and key campaigns such as Jaago Re and Tetley Tea Folk should serve to enhance brand value in the consumer's eyes so that our brands remain top of mind.

Disruptive innovation is core to your company's success and culturally and structurally Tata Global Beverages is in a good position to deliver this with its new Global Marketing and Innovation and Research and Development teams that are specifically focused on creating growth outside of the core business. The company's product development team has developed an exciting range of water based and other products which will fuel our growth in future.

Your company is also attracting key talent with strong FMCG background who bring expertise and experience that can be leveraged to fuel growth.

6. The Environment

a) Consumers

Consumer confidence remains fragile in many markets, with economies around the world faced with inflation, low interest rates, unemployment and minimal GDP growth. Consumers themselves have been particularly susceptible to grocery bill inflation so are price-sensitive and looking to economise by either shopping for promotions or trading down. In the UK for instance, according to Nielsen research, goods bought on promotion are at an all time high of 40%. This has affected your company's volumes and margins to some extent. Your Company invested in promotional spend to retain market share such as on-pack promotions. In spite of a fragile consumer mindset, your Group was able to implement price rises across a number of brands such as Eight O'Clock Coffee and Tetley Tea and your Company continued to invest in marketing-communications initiatives to augment brand affinity in order to protect market share.

b) Retailers

The international retail market is especially competitive in the current climate, as consumers shop around more in their efforts to economise. Brand owners, such as your Company, are vulnerable to this market scenario because retailers are continually focussing on costs to assuage demand weakness. As a result, your Company has had to invest in trade promotions to remain competitive. Promotional spend as % of sales has fallen but remains over 13% of total sales. As in the past, in core markets, the strength of brands and sales and marketing teams capabilities allows us to mitigate some of these pressures, albeit not entirely.

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c) Commodity Prices

In line with other consumer-facing businesses, your company was faced with significant rises in input costs. In particular, raw tea and coffee beans saw significant cost rises during the year. The commodity costs for tea and coffee have been on an upward spiral: Coffee is at a 30 year high, with Arabica rising by 100% in the financial year. Tea prices have risen in the past few years and the past year saw further volatility. Your Company continued its strategy of hedging and scenario-planning to develop models to manage rising commodity costs. The cost base faced additional pressure from energy, transport and packaging costs.

d) Competitors

The ambient tea and coffee market is extremely competitive, with all players chasing market share. Recent years have seen the rise of retailers own-brands as well as increasing innovation and brand investment by more established players. Some of the more premium players have repositioned their offering to tap into the trend for down-trading. Local players holding prices down in India meant your company was forced to reduce prices for some products to retain market share. Your company has responded to these competitive challenges by increasing its brand investment so that customers and consumers pick our product off the shelf ahead of its competitors. Your Company has also invested in packaging to make products more appealing, modern and engaging.

e) Interest Rates

The economic recovery post the credit crunch, as expected, is taking substantial time especially in the developed economies. Consequently, interest rates continue to be low. Within the prevailing environment, strong treasury performance has optimised the returns on surplus funds, whilst at the same time leaving them readily available to support strategic growth. To minimise the interest outflow, the Group has repaid its loan in the UK and refinanced its high cost loans in India to a low interest coupon bond.

f) Exchange Rates

We experienced volatile exchange rate movements during the year. Re/\$ during the year had a high of 47.69 and a low of 44.10 with its median at 45.57. Similarly £:\$ had a high of 1.64 and a low of 1.43 with a median of 1.55. Our strategy continues to be to take cautious positions with regard to hedging and ensure covering known exposures. For our UK based business wherein tea is sourced in \$ but sold to customers in £, change in £:\$ has had a material impact, adversely impacting the underlying commodity costs. Our export oriented extraction business from India was also adversely impacted by the \$ / Re exchange rate which was lower than the previous year's median of 47.73. With over 70% of our business outside India, exchange rate movements have a translation impact on the financial performance when expressed in reporting currency (Indian Rupees).

7. Opportunities and threats

Opportunities

Your Company is well poised to grow its wider beverage agenda across the globe. It has very strong brands in its portfolio with an ever diversifying product range. Over the past few years the company has extended its geographical reach mainly through acquisitions. The company continues to focus on category enhancement to mitigate the risk of de-growth in black tea market especially in the western world.

Your Company's "good-for-you" beverage ambition is a key opportunity as consumers around the world develop a stronger appetite for products with health and wellness attributes. The company is increasingly looking for growth opportunities in the functional beverages category. During the year, your Group invested in Rising Beverages, the owner of the Activate™ brand. It gives us access to the functional water category which is one of the fastest growing beverage categories in the US.

Similarly, NourishCo Beverages Limited, in which we and PepsiCo own a 50:50 equity stake, has potential for growth in line with your Company's "good-for-you" beverage growth strategy due to its focus on health and wellness beverage products. The MoU with Kerala Ayurveda Limited to enter into a 50:50 Joint Venture may yield the development of leading edge, functional and great tasting beverage and food products based on proven Ayurvedic recipes.

The non binding Memorandum of Understanding (MoU) with Starbucks Coffee International Inc. for a potential strategic collaboration in areas of sourcing and roasting of coffee beans may yield other growth opportunities.

The integration of the business and strengthening of key business capabilities such as Global Research and Development, Marketing and Innovation, give your company potential to continue to pursue disruptive innovation to achieve its mission.

Sustainability presents a key opportunity for your company to create competitive advantage that builds long term value through stronger, more sustainable brands which will appeal to customers and consumers alike. It will also future proof our supply chains and help to secure a licence to operate.

Your company has managed to implement a number of price rises and the customer acceptance is encouraging. We will endeavour to continue to monitor and amend pricing to protect margins and shareholder value.

Threats

As the world recovers from the recession, the challenging trading environment, intense competition and fragile consumer confidence will continue to challenge volumes and margins. Price sensitivity amongst customers will make it difficult to fully protect profitability by raising prices to recoup any future increases in commodity prices. The tea and coffee buying teams will maintain their close monitoring of commodity costs and implement the sourcing strategy accordingly. Ambient tea and coffee and "good-for-you" beverages are highly competitive FMCG categories, so your company will continue to gather market intelligence on new market entrants and pertinent activities by existing players.

8. Risks and Concerns

One of the major challenges for our business is the increase in input costs. A strategic review of the cost base to identify cost rationalisation opportunities and improve competitiveness is being undertaken.

The year under review had been further challenging due to a tough and competitive trading environment in the branded space across key regions. Challenges exist in terms of pricing, intense promotional activity by competition and potential retail consolidation in the UK.

9. Human Relations and Industrial Relations

Corporate identity

Subsequent to the change in name of the Company from Tata Tea Limited to Tata Global Beverages Limited in July 2010, the names of most of the Company's overseas subsidiaries were also changed with Tata Global Beverages being reflected in their respective new names. The roll out of the new name and identity - Tata Global Beverages - has been one of the definitive vehicles of integration of the erstwhile independent identified businesses.

As the most publicly visible element, your Company's new corporate website, www.tataglobalbeverages.com launched in February 2011 is the vibrant online face of your company giving anyone who visits an insight into our brands, product innovations, performance, people and much more.

Culture change and employee engagement

Our first wave of 'Culture Champions', a diverse group of people from across Tata Global Beverages, have worked together as one team to make waves and bring our culture to life as described by our directional themes. Together they have successfully actioned 36 initiatives to engage their colleagues and provide catalysts for change. This team of Culture Champions cuts across the traditional hierarchy and organisation structure.

ThinkBIG!, our unique employee innovation competition and a global culture champion initiative, was a major highlight of our innovation and employee engagement journey. It captured people's imaginations across the globe, resulting in 1,300 new ideas and driving both integration and transformation.

In combination with these culture initiatives, the senior leadership team engaged with employees to share and discuss the Group's newly determined strategic initiatives at a series of regional road shows, supported by other communication vehicles.

Integration and consolidation within India

The complex process of integrating the functions of the pre-existing businesses in India has been achieved with minimal disruption and is already bringing about positive results. In addition, the sensitive matter of relocating employees from our historical home in Kolkata to new offices in

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Bangalore was successfully accomplished with employees reporting that they had been treated fairly and openly. Union negotiations have been successfully concluded.

During the move from Kolkata to Bangalore the opportunity was taken to significantly reduce the cost of the administrative functions.

The Industrial Relations situation across all the locations of the Tata Global Beverages Group was harmonious. The total number of employees on the rolls of Tata Global Beverages Limited as of 31 March 2011 were 2,373. The beverage group which includes the Companies' subsidiaries employs over 8,000 people, including plantation workers.

10. 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 Internal Audit Department carries out an audit of the transactions based on a programme approved by the Audit Committee. The Audit Committee of your Company periodically review the observations made by the internal auditors in their reports with specific focus on the control environment and suggest measures for improvement where necessary. The Executive Office in UK also periodically monitors the management information reports received from various units. The Executive Office also has a direct interface with the respective Regional Presidents at which it reviews the internal controls and systems besides operational issues. The Company is also looking at strengthening the reporting/planning system for improving controls and data drill down capabilities which would be an important element of the decision support system within the beverage group. 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.

11. 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.

12. Conclusion

Your company continued to enjoy growth despite being faced with intense cost pressure, particularly from tea and coffee commodity costs, coupled with a challenging trading environment. Yet the Group was successful in taking price increases and maintaining its strong market position in many of its key markets. The Group continues to integrate and build global capabilities, whilst investing behind its brands and products and new growth areas.

Management and governance

Report on corporate governance for 2010/11

1. Company's philosophy on code of governance

The corporate governance philosophy of the 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 stakeholders. 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 the Company are compatible with international standards and best practices. As a responsible corporate citizen, the Company had established systems to encourage and recognise employee participation and volunteering in environmental and social initiatives that contribute to organisational 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 an integral part of the Company's operating plans and are not meant for building of image or publicity.

2. Board of Directors

As on 31 March 2011 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 92 per cent of the Board comprises of Non-executive Directors. In terms of Clause 49 of the Listing Agreement with the stock exchanges as amended during 2008/09, at least 50 per cent of the Board should comprise of Non-executive Independent Directors. The Non-executive Independent Directors constituted 53.85 per cent of the Board as at 31 March 2011.

A. Composition and 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 at 31 March 2011

Category	Number of Directors	%
Non-independent Directors	5	38.46
Managing Director	1	7.69
Non-executive Independent Directors	7	53.85
	13	100.00

During 2010/11, Mr Ajay Shankar was appointed as an additional Director with effect from 30 April 2010 and he has since been appointed as a Director liable to retire by rotation by the shareholders at the Annual General Meeting held on 23 August 2010. During 2010/11, Mrs Sangeeta Talwar, Executive Director, resigned from the services of the Company with effect from the close of business hours on 31 July 2010. Consequently she ceased to be a Director and Executive Director effective 1 August 2010.

Mr P D Unsworth, Non-executive Non-independent Director resigned from the Board of the Company with effect from the close of 30 June 2011 for personal reasons.

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Details of attendance of Directors at Board meetings and at the last year's Annual General Meeting with particulars of their other directorships and Chairman/membership of Board Committees (excluding Tata Global Beverages Limited) showing the position as at 31 March 2011 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 year's AGM	Director	Committee member	Committee Chairman
Mr R N Tata	C, NED & NI	5	Yes	10	–	–
Mr R K Krishna Kumar	VC, NED & NI	7	Yes	11	1	1
Mr U M Rao	NED & I	7	Yes	2	2	1
Mrs M Srinivasan	NED & I	2	No	5	1	–
Mr A Singh	NED & I	1	No	13	–	–
Mr J S Bilimoria	NED & I	7	Yes	9	3	4
Mr F K Kavarana	NED & NI	6	Yes	9	4	2
Mr A R Gandhi	NED & NI	7	Yes	10	3	2
Mr V Leeladhar	NED & I	7	Yes	1	–	–
Mrs Ranjana Kumar	NED & I	7	Yes	3	–	–
Mr P D Unsworth	NED & NI	5	Yes	–	–	–
Mr P T Siganporia	MD	7	Yes	2	–	–
Mr Ajay Shankar*	NED & I	4	Yes	1	–	–
Mrs S Talwar**	ED	4	NA	NA	NA	NA

* Joined the Board on 30.4.2010

** Resigned as Director and Executive Director with effect from the close of business hours on 31 July 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 Whole-time 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 reappointment as well as the Directors who are retiring by rotation and eligible for reappointment 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 per cent 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 1 September 2009, which is valid up to the financial year ending 31 March 2014. No stock option has been granted to the Non-executive Directors.

C. Other provisions as to Board and Committees

During 2010/11, the Board met seven times on 9 April 2010, 30 April 2010, 25 May 2010, 29 July 2010, 23 August 2010, 28 October 2010 and 28 January 2011. 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 ten Board Committees or Chairman of more than five 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.

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 2010/11 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.

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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 49.11.(A)(ii) of the Listing Agreement.

Mr J. S. Bilimoria, Chairman of the Audit Committee, has expert knowledge in finance and accounting. He was present at the last Annual General Meeting of the Company held on 23 August 2010.

The composition of the Committee as on 31 March 2011 and particulars of attendance by the members are given in the table below:

Name	Category	No. of meetings during 2010/11	
		Held	Attended
Mr J S Bilimoria	Independent, Non-executive	7	6
Mr R K Krishna Kumar	Non-independent, Non-executive	7	6
Mr A R Gandhi	Non-independent, Non-executive	7	7
Mr U M Rao	Independent, Non-executive	7	7
Mr V Leeladhar	Independent, Non-executive	7	6
Mrs Ranjana Kumar	Independent, Non-executive	7	6

iii. Meetings and attendance during the year

During 2010/11, seven Audit Committee meetings were held on 24 May 2010, 28 July 2010, 6 October 2010, 27 October 2010, 8 December 2010, 27 January 2011 and 11 March 2011. 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 six directors, all of whom are Non-executive Directors. Mrs. Ranjana Kumar, Independent Director, is the Chairman of the Committee.

The composition of the Committee as at 31 March 2011 and particulars of attendance by the members are given in the table below:

Name	Category	No. of meetings during 2010/11	
		Held	Attended
Mrs Ranjana Kumar	Independent, Non-executive	1	1
Mr R K Krishna Kumar	Non-independent, Non-executive	1	1
Mr U M Rao	Independent, Non-executive	1	1
Mr A R Gandhi	Non-independent, Non-executive	1	1
Mr J S Bilimoria	Independent, Non-executive	1	1
Mr V Leeladhar	Independent, Non-executive	1	1

iii. Meeting and attendance during the year

The Remuneration Committee met once during 2010/11 on 25 May 2010, 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 and 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	Mrs S Talwar Rs. in Lakhs**
Salary	54.89*	14.77
Allowances and perquisites	–	30.39
Contribution to retiral funds	19.39	3.00
Commission (relating to 2009/10)	–	90.00
Stock option	–	–
No of shares held	2,640	Not applicable as she ceased to be a director
Service contract	1 year from 1 July 2011	and executive director with effect from the
Notice period	6 months	close of business hours on 31 July 2010

** For the period 1 April 2010 to 31 July 2010

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

	Mr P T Siganporia Rs. in Lakhs
Salary and bonus	252.06
Allowances and perquisites	41.73

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 1 September 2009.
3. Salary and bonus includes Rs. 35.26 Lakhs (Rs. 95.20 Lakhs) pertaining to 2009/10 (2008/09) paid in 2010/11 (2009/10).

Non-executive Directors' Remuneration paid in 2010/11

	Commission Rs. in Lakhs (Relating to 2009/10)	Sitting fees Rs. in Lakhs	No of shares held as at 31.03.2011
Mr R N Tata	41.00	1.10	20,400
Mr R K Krishna Kumar	38.00	3.00	90,000
Mr U M Rao	23.00	3.50	–
Mrs M Srinivasan	4.00	0.40	–
Mr A Singh	2.00	0.20	–
Mr J S Bilimoria	17.50	2.70	–
Mr F K Kavarana	11.00	1.40	–
Mr A R Gandhi	22.00	3.20	–
Mr V Leeladhar	17.00	3.00	–
Mrs Ranjana Kumar	2.00	3.00	–
Mr P D Unsworth	3.50	1.00	–
Mr Ajay Shankar (joined the Board from 30 April 2010)	NA	0.90	–
Mr Y H Malegam (ceased to be a Director with effect from 28 January 2010)	27.50	NA	NA
Mr D B Engineer (ceased to be a Director with effect from 28 January 2010)	7.50	NA	NA

Notes:

1. The resolutions appointing these Directors do not provide for payment of severance fees.
2. The above excludes Rs. 23.70 Lakhs being post-retirement pension benefit paid/payable to a former Managing Director.

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5. Shareholders'/Investors' Grievance Committee

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

As at 31 March 2011, the Shareholders'/Investors' Grievance Committee comprised of three members, with Mr F K Kavarana as the Chairman of the Committee and Mr U M Rao and Mr Ajay Shankar as the other members of the Committee. Mr Ajay Shankar was inducted as a member of the Committee with effect from 30 April 2010.

The Committee held one meeting during 2010/11 on 28 July 2010. The representatives of the registrar are generally present at 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 2010/11	
		Held	Attended
Mr F K Kavarana	Non-independent, Non-executive	1	1
Mr U M Rao	Independent, Non-executive	1	1
Mr Ajay Shankar (w.e.f. 30 April 2010)	Independent, Non-executive	1	1

ii. Name and designation of Compliance Officer

Mr V Madan, Vice-President and 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 correspondence received and attended to during 2010/11 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	2,375*	Nil
Queries/complaints redressed	2,349	Nil
Pending queries as at 31.3.2011	26	Nil
Other letters received from shareholders and depositors and replied	4,191	Nil

* Includes 11 complaints received from shareholders during 2010/11, all of which were resolved.

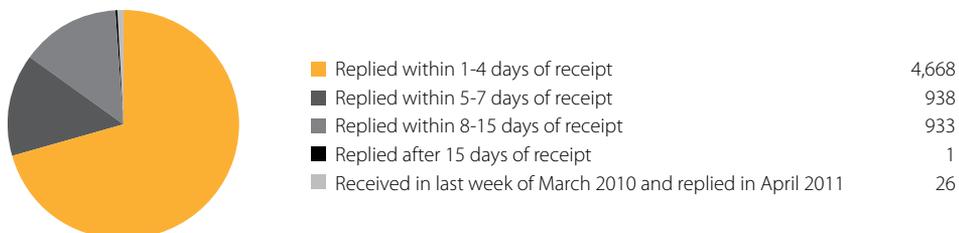
Every letter received from the investors is replied to and the response time for shareholders' correspondence during 2010/11 is shown in the following table:

	Number	%
Total number of correspondences received during 2010/11	6,566	100.00
Replied within 1 to 4 days of receipt	4,668	71.09
Replied within 5 to 7 days of receipt	938	14.28
Replied within 8 to 15 days of receipt	933	14.21
Replied after 15 days of receipt*	1	0.02
Received in last week of March 2011 and replied in April 2011	26	0.40

* Correspondence involved retrieving of old records and hence took a longer time to deal with.

Promptness in attending to correspondence 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 2010/11 is given below:

	Transfers no. of requests	Transfers no. of shares	Demats no. of requests	Demats no. of shares
Lodged	998	10,19,002	2,277	28,21,776
Processed	527	6,16,330	1,453	19,38,496
Objections	466	3,98,622	802	8,66,390
Pending as at 31.03.2011*	5	4,050	22	16,890

*These transfers and Demat requests were lodged in the last week of March 2011 and were processed in April 2011.

Note: 96.25 per cent of the issued share capital of the Company is held in dematerialised form as at 31.3.2011.

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 Mr L Krishna Kumar – Group CFO	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	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 V Leeladhar Mr P T Siganporia	To look into the requirements under Insider Trading Regulations including the Group guidelines on Insider Trading and Tata Code of Conduct.
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 and 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 2010/11 one meeting of the Nomination Committee and two meetings of the CSR Committee were held. No meetings of the Executive Committee and Ethics and Compliance Committee were held during 2010/11.

Management and governance

Report on corporate governance for 2010/11

Continued

7. General Body Meetings

i. Location and time, where last three AGMs held, whether any special resolutions passed in the previous three 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
2007/08	The Oberoi Grand 15, Jawaharlal Nehru Road, Kolkata – 700 013	22 August 2008	10.30 a.m.	Nil
2008/09	Same as above	1 September 2009	10.30 a.m.	3
2009/10	Same as above	23 August 2010	10.30 a.m.	Nil

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

During 2010/11 two special resolutions were approved by the shareholders through a postal ballot which was carried during May/June 2010. 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: The results of the postal ballot held in May/June 2010 are as follows:

	Resolution No. 1 (special resolution) (Change in Name)			Resolution No. 2 (ordinary resolution) (Sub-division of shares)		
	Ballots	Votes	%	Ballots	Votes	%
Votes in favour	3,692	35,402,003	99.78	3,713	35,393,055	99.76
Votes against	115	20,575	0.06	61	21,854	0.06
Invalid votes	310	57,408	0.16	343	65,067	0.18
Total	4,117	35,479,986	100	4,117	35,479,976	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	3,647	35,385,414	99.73	3,638	35,320,545	99.72
Votes against	62	21,545	0.06	59	21,567	0.06
Invalid votes	408	72,987	0.21	420	77,786	0.22
Total	4,117	35,479,946	100	4,117	35,419,898	100

iii. Person who conducted the postal ballot exercise

The postal ballot exercise 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 Scrutiniser 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, 2011 (New Rules).

8. Disclosures

i. **Disclosures on materially significant related party transactions that may have potential conflict with the interest of the 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 interests 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 victimisation of employees who avail the mechanism. The policy permits reporting any concern relating to (i) financial/accounting matters and (ii) employees at the level of Vice-President 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 the Audit Committee has been circulated to the employees. No employee has been denied access to the Chairman of the 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 for 2010/11 except as regards the composition of the number of Independent Directors for the period 1 April 2010 to 30 April 2010. Clause 49 of the Listing Agreement as amended during 2008/09 specifies that at least 50 per cent of the Board should comprise of Non-executive Independent Directors. However, for the period 1 April 2010 to 30 April 2010, the Independent Directors comprised 46.15 per cent. This is because two Independent Directors, namely, Mr Y H Malegam and Mr D B Engineer, stepped down from the Board with effect from 28 January 2010 consequent to their having attained the age of superannuation. The Board at its meetings on 28 January 2010 and 30 April 2010 appointed Mrs Ranjana Kumar and Mr Ajay Shankar as additional Independent Directors with effect from 29 January 2010 and 30 April 2010 respectively and thus the two vacancies that arose on 28 January 2010 were filled up on 29 January 2010 and 30 April 2010, well within the time specified in Clause 49 C (iv) of the Listing Agreement. The Company is thus in compliance with the requirement that 50 per cent of the Board should comprise of Non-executive Independent Directors.

As far as the seven non-mandatory requirements are concerned, the Board has set up a Remuneration Committee and has also adopted a whistle-blower policy which enables the employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the 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**

The quarterly results are published in the newspaper and displayed on the Company's website. The half-yearly results for the six months ended 30 September 2010 were sent by post to the shareholders in November 2010.

ii. **Newspapers wherein results normally published**

The quarterly results are generally published in The Statesman, The 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 website of the Company after these are submitted to the Stock Exchanges. Our website address is www.tataglobalbeverages.com

iv. **Whether it also displays official news releases**

Yes.

v. **The presentations made to institutional investors or to analysts**

The Company made a presentation to financial analysts on 26 May 2010 after the results of the financial year 2009/10 were approved by the Board. Similar presentations were made to the analysts on 29 July 2010 and 29 October 2010 after the financial results for the quarter ended 30 June 2010 and six months ended 30 September 2010 respectively were approved by the Board. These presentations have been put up on the Company's website.

Management and governance

Report on corporate governance for 2010/11

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10. General shareholders information

i. AGM – date, time and venue, financial year, date of book closure, dividend payment date

Annual General Meeting:	Tuesday, 30 August 2011 at 10.30 a.m. The Oberoi Grand 15 Jawaharlal Nehru Road Kolkata – 700 013
Financial calendar: (tentative)	Board meetings for approval of:
	Annual Accounts 2010/11 – 24 May 2011
	Financial results for 1st Quarter 2011/12 – Second week of August 2011
	Financial results for 2nd Quarter 2011/12 – Last week of October 2011
	Financial results for 3rd Quarter 2011/12 – Last week of January 2012
	Annual Accounts 2011/12 – Last week of May 2012
Book closure period	12 August 2011 to 30 August 2011 (both days inclusive)
Dividend payment date	2 September 2011

ii. Listing on stock exchanges and stock code

Listing on stock exchanges:	
a) Equity shares	<ul style="list-style-type: none"> i) The Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata – 700 001 ii) The Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 iii) National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051 iv) Gauhati Stock Exchange Ltd. 2nd floor, Shine Towers, Sati Jayamati Road, Arya Chowk, Rehabari, Gauhati – 781 008
b) Global depository shares	Luxembourg Stock Exchange London Stock Exchange
Stock code	<ul style="list-style-type: none"> Calcutta Stock Exchange – 27 (for Physical); – 10000027 (for Demat) Bombay Stock Exchange – 500800 National Stock Exchange – “TATAGLOBAL” Gauhati Stock Exchange – L-784
Demat ISIN number	<ul style="list-style-type: none"> National Securities Depository Ltd. – INE 192A01025 Central Depository Services Ltd. – INE 192A01025
Listing fees	Annual listing fees for 2010/11 have 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	
	High Rs.	Low Rs.	High Rs.	Low Rs.
April 2010	1,069.85	958.60	1,074.00	952.00
May 2010	1,138.30	988.60	1,138.00	989.00
June 2010	1,218.00	113.50	1,220.00	118.00
July 2010	125.00	112.00	124.00	115.10
August 2010	121.00	108.10	120.75	108.00
September 2010	129.80	119.15	129.95	119.40
October 2010	138.75	120.50	138.65	121.00
November 2010	134.00	103.00	134.00	104.30
December 2010	117.80	106.60	117.60	107.35
January 2011	114.20	95.30	119.50	95.30
February 2011	108.20	84.80	102.10	85.15
March 2011	105.80	87.85	105.65	87.80

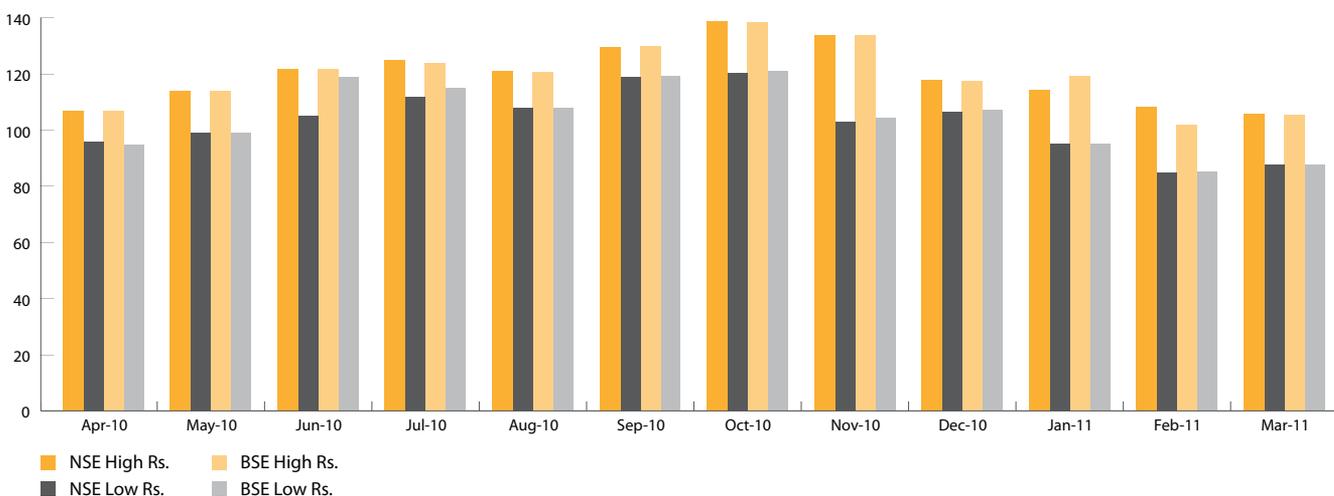
NSE: National Stock Exchange of India Ltd.; BSE: Bombay Stock Exchange Ltd.

There was no trading of the Company's shares on the Calcutta Stock Exchange during 2010/11.

Note: One equity share of the Company having face value of Rs. 10/- each have been sub-divided into ten equity shares of Re. 1/- with effect from 2 July 2010.

The market price data is graphically represented below:

Share Price



Note:

One equity share of the Company having face value of Rs. 10/- each have been sub-divided into ten equity shares of Re. 1/- with effect from 2 July 2010. For the purpose of comparison, the share prices for the period 1 April 2010 to 30 June 2010 have been proportionally adjusted.

Management and governance

Report on corporate governance for 2010/11

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iv. Performance in comparison to broad-based indices

	NSE	BSE
Company's share price		
- As at 1 April 2010	98.30*	97.80*
- As at 31 March 2011	97.75	97.75
- Change	(0.56%)	(0.05%)
Indices		
	S & P CNX NIFTY	BSE 100
- As at 1 April 2010	5,249.2	9,350.07
- As at 31 March 2011	5,833.75	10,095.74
- Change	10.02%	7.38%

* Based on adjusted 1 April price for purpose of comparison.

v. Registrar and 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 – 400 011
Tel: 022-66568484
Fax: 022-66568494
Website: www.tsrdarashaw.com
Email: csg-unit@tsrdarashaw.com

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
Email: tsrdlbg@tsrdarashaw.com
2. TSR Darashaw Ltd.
Bungalow No. 1
'E' Road, Northern Town, Bistupur
Jamshedpur – 831 001
Tel: 0657-2426616
Fax: 0657-2426937
Email: tsrdljsr@tsrdarashaw.com

3. TSR Darashaw Ltd.
Tata Centre, 1st Floor
43, J L Nehru Road
Kolkata – 700 071
Tel: 033-22883087
Fax: 033-22883062
Email: tsrdlcal@tsrdarashaw.com
4. TSR Darashaw Ltd.
2/42 Sant Vihar
Ansari Road, Daryaganj
New Delhi – 110 002
Tel: 011-23271805
Fax: 011-23271802
Email: 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
Email: shahconsultancy@hotmail.com

The registrars can be contacted between 10.00 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 and Secretary

Mr S M Pramod, Sr. Manager Secretarial

Tata Global Beverages Ltd.

"Kirloskar Business Park"

4th Floor, Block C

New Air Port Road, Hebbal

Bangalore – 560 024

Tel.: 080-67171200

Fax: 080-67171201

Website: www.tataglobalbeverages.com

Email: investor.relations@tataglobalbeverages.com

Mr Gautam Mukherjee

Tata Global Beverages Ltd.

1, Bishop Lefroy Road

Kolkata – 700 020

Tel.: 033-22836917

Fax: 033-22833032

Email: investor.relations@tataglobalbeverages.com

vi. Share transfer system

Shares in physical form for transfer, should be lodged with the office of the Company's Registrar and 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 dematerialised form.

vii. Distribution of shareholding

Distribution of shareholding as at 31 March 2011:

No. of shares	Holding	Amount Rs.	% to capital	No. of holders	% to total holders
1 to 500	15,341,497	15,341,497	2.48	96,688	73.11
501 to 1000	11,009,014	11,009,014	1.78	13,127	9.93
1001 to 2000	13,266,361	13,266,361	2.15	8,717	6.59
2001 to 3000	10,287,756	10,287,756	1.66	4,071	3.08
3001 to 4000	7,689,655	7,689,655	1.24	2,186	1.65
4001 to 5000	8,134,445	8,134,445	1.32	1,752	1.32
5001 to 10000	22,304,982	22,304,982	3.61	3,126	2.36
Greater than 10000	530,364,860	530,364,860	85.76	2,592	1.96
Total	618,398,570	618,398,570	100.00	132,259	100.00

Categories of shareholders as at 31 March 2011:

Sl. No.	Particulars	No. of holders	Holdings/ shares held	% to capital
1	Tata Group Companies	12	217,848,023	35.23
2	Indian financial institutions	34	123,542,648	19.98
3	State government	1	5,850	0.00
4	Nationalised banks	24	3,432,134	0.55
5	Mutual funds	71	32,960,599	5.33
6	Foreign institutional investors/foreign companies	108	51,114,847	8.26
7	GDS depositories	1	166,100	0.03
8	Other companies	2,082	54,531,551	8.82
9	Individuals and others	129,926	134,796,818	21.80
Total		132,259	618,398,570	100.00

Management and governance

Report on corporate governance for 2010/11

Continued

Category-wise shareholding is also shown in the chart below:

Category of shareholders



viii. Dematerialisation of shares and liquidity

The process of conversion of shares from physical form to electronic form is known as dematerialisation. For dematerialising 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 and Transfer Agent. On receipt of the demat request both physically and electronically and after verification, the shares are dematerialised 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 at 31 March 2011, the outstanding Global Depository Shares were 166,100. 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 at 31 March 2011.

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 and Packeting centre - PO Munnar, Dist. Idukki, Kerala – 685 612;
- d) Instant Tea Operations, Post Box No. 3, Idukki district, Munnar, Kerala – 685 612 (including Nullatani factory) and
- e) Tata Tetley Division: 73 KPK Menon Road; Willingdon Island, Kochi, Kerala – 682 003 and an extension unit at 40, Milne 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. The 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
31 March 2004	10.9.2004	September 2011	October 2011
31 March 2005	11.8.2005	August 2012	September 2012
31 March 2006	11.8.2006	August 2013	September 2013
31 March 2007	13.8.2007	August 2014	September 2014
31 March 2008	25.8.2008	August 2015	September 2015
31 March 2009	04.9.2009	September 2016	October 2016
31 March 2010	27.8.2010	August 2017	September 2017

Following are the details of unpaid dividends, interest on deposits and repayment of deposits which will be due for transfer to IEPF up to 31 March 2012:

Nature of payment	Date of payment	Unpaid dividend to be claimed by	Transfer to IEP Fund in
Dividend	10.9.2004	September 2011	October 2011
Interest on fixed deposits	1.4.2004 to 31.3.2005	One month before the due date of transfer to IEP Fund	Seven years from respective payment dates
Fixed deposits – Principal amount and interest on maturity	Respective maturity dates	One month before the due date of transfer to IEP Fund	Seven years 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 the Company has adopted. Mr K Venkataramanan, Vice-President – Finance of the Company, is the compliance officer for the purpose of these regulations.

Management and governance

Report on corporate governance for 2010/11

Continued

14. Top ten shareholders

As at 31 March 2011 the top ten shareholders of the Company were as follows:

Name of the shareholder	No. of shares	Percentage of shareholding
Tata Sons Limited	141,872,070	22.94
Life Insurance Corporation of India	96,578,004	15.62
Tata Chemicals Limited	43,175,140	6.98
Bajaj Allianz Life Insurance Company Ltd.	28,731,926	4.65
Tata Investment Corporation Limited	27,500,000	4.45
Government Pension Fund Global	11,975,996	1.94
National Insurance Company Ltd.	7,500,780	1.21
The New India Assurance Co. Ltd.	6,548,970	1.06
Reliance Life Insurance Company Limited	5,834,142	0.94
General Insurance Corporation of India	5,827,820	0.94

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 2010/11.

For Tata Global Beverages Ltd.



(P T Siganporia)
Managing Director

28 July 2011

Auditors' Certificate

Regarding compliance of conditions of corporate governance

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 Limited), for the year ended 31 March 2011 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 Company's 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, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

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

For N M Raiji & Co

Firm Registration No.: 108296W
Chartered Accountants

J M Gandhi

Partner
Membership No: 37924

28 July 2011

For and on behalf of

For Lovelock & Lewes

Firm Registration No.: 301056E
Chartered Accountants

Partha Mitra

Partner
Membership No: 50553

28 July 2011

Financial statements and notes

Auditors' Report

To the Members of Tata Global Beverages Limited (Formerly Tata Tea Limited)

1. We have audited the attached Balance Sheet of Tata Global Beverages Limited (the "Company") as at 31 March 2011, 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' of India (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 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 31 March 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2011 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, in the prescribed manner, the information required by the Act, 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 31 March 2011;
 - (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 Number : 37924
Mumbai, 24 May 2011

For Lovelock & Lewes

Firm Registration No: 301056E
Chartered Accountants

Partha Mitra

Partner
Membership Number : 50553
Mumbai, 24 May 2011

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Tata Global Beverages Limited (formerly Tata Tea Limited) on the financial statements for the year ended 31 March 2011

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, a substantial part of fixed assets has not been disposed off 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 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.
 - d) In respect of the aforesaid loans, there is no overdue amount more than Rupees One Lakh.
 - e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered 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.

Financial statements and notes

Annexure to Auditors' Report

Continued

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, entry tax, employee state insurance, sales-tax, value added tax and cess as at 31 March 2011 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	205.90	2004-2005	Commissioner of Income Tax (Appeals), Kochi
Income-tax Act 1961	Income Tax	0.73	2007-2008	Commissioner of Income Tax (Appeals), Kolkata
Income-tax Act 1961	Income Tax	11.24	2007-2008 and 2008-2009	Commissioner of Income Tax (Appeals), Kochi
Income-tax Act 1961	Income Tax	3.49	2007-2008 and 2008-2009	Commissioner of Income Tax (Appeals), Bangalore
Assam Entry Tax Act, 2008	Entry Tax	93.45	2008-2009	High Court of Guwahati
West Bengal Sales Tax Act, 1994	Sales Tax	1.76	1998-1999 and 2000-2001	Sales Tax Tribunal, West Bengal
West Bengal Value Added Tax Act, 2003	Value Added Tax	119.97	2007-2008	Deputy Commissioner of Commercial Taxes
	Central Sales Tax	1.89	2007-2008	Deputy Commissioner of Commercial Taxes
Kerala General Sales Tax Act, 1963	Sales Tax	12.00	1998-1999	Sales Tax Tribunal, Kerala
	Sales Tax	43.74	1996-1997 to 2000-2001 and 2002-2003	Deputy Commissioner (Appeals) of Commercial Taxes , Kerala
	Sales Tax	2.76	1994-1995 to 1996-1997	Assistant Commissioner (Appeals) of Commercial Taxes , Kerala
Central Sales Tax Act, 1956	Sales Tax	12.14	1998-1999	Sales Tax Tribunal, Kerala
	Sales Tax	14.99	1990-2000, 2000-2001 and 2002-2003	Deputy Commissioner (Appeals) of Commercial Taxes , Kerala
Karnataka Sales Tax Act, 1957	Sales Tax	441.00	1995-1996 to 1996-1997	Joint Commissioner of Commercial Taxes, Karnataka
	Sales Tax	128.00	1997-1998	Supreme Court of India
Madhya Pradesh Entry Tax Act, 1976	Entry Tax	203.14	2003-2004 and 2007-2008	High Court of Madhya Pradesh
Tamilnadu General Sales Tax Act, 1959	Sales Tax	52.66	2001-2002 to 2006-2007	DCTO, Tamilnadu
Tamilnadu Panchayat Act, 1994	Cess on Land Revenue	4.97	2000-2001 to 2002-2003	High Court of Madras
Goa Value Added Tax Act, 2005	Value Added Tax	1.01	2006-2007	Assistant Commissioner
Employees' State Insurance Act, 1948	ESI	1.20	2009-2010	Employees Insurance Court – cum – Industrial Tribunal, Hyderabad

10. The Company has no accumulated losses as at 31 March 2011 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 as at the balance sheet date.
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. In our opinion, and according to the information and explanations given to us, on an overall basis, the 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 during the year.
19. The Company has created security or charge in respect of debentures issued and outstanding at the year-end.
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 Rajji & Co

Firm Registration No: 108296W
Chartered Accountants

J M Gandhi

Partner
Membership Number : 37924
Mumbai, 24 May 2011

For Lovelock & Lewes

Firm Registration No: 301056E
Chartered Accountants

Partha Mitra

Partner
Membership Number : 50553
Mumbai, 24 May 2011

Financial statements and notes

Balance Sheet

as at 31 March 2011

	Schedule	2011	2010	Rs. in Lakhs
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1	6183.99		6183.99
Reserves and Surplus	2	199461.27		201600.18
			205645.26	207784.17
Loan Funds				
Secured Loans	3	50546.83		49644.50
Unsecured Loans	4	—		321.43
			50546.83	49965.93
Total		256192.09		257750.10
APPLICATIONS OF FUNDS				
Fixed Assets				
Gross Block	5	22438.60		21089.46
Less: Depreciation		11236.69		10510.11
Net Block		11201.91		10579.35
Add: Capital Work-in-progress		302.92	11504.83	557.02
				11136.37
Investments	6		229090.71	230904.92
Deferred Tax Asset			879.75	82.03
(Refer Schedule 21, Note 7)				
Current Assets, Loans and Advances				
Inventories	7	42991.16		37813.81
Sundry Debtors	8	10189.66		11639.09
Cash and Bank Balances	9	687.22		536.04
Other Current Assets	10	577.57		897.44
Loans and Advances	11	14603.26		13636.62
		69048.87		64523.00
Less: Current Liabilities and Provisions				
Liabilities	12	36544.90		29991.85
Provisions	13	17787.17		18904.37
		54332.07		48896.22
Net Current Assets			14716.80	15626.78
Total		256192.09		257750.10
Notes on Accounts				
	21			

The Schedules referred to above form an integral part of the 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

For Lovelock & Lewes
Firm Registration No.: 301056E
Chartered Accountants

R N Tata
Chairman

F K Kavarana
A R Gandhi
V Leeladhar
U M Rao
Ranjana Kumar
Directors

P T Siganporia
Managing Director

J M Gandhi
Partner
Membership No: 37924

Partha Mitra
Partner
Membership No: 50553

R K Krishna Kumar
Vice-Chairman

V Madan
Vice-President and
Secretary

Financial statements and notes

Profit and Loss Account

for the year ended 31 March 2011

	Schedule	2011	2010	Rs. in Lakhs
INCOME				
Sales and Services		179262.17		169792.26
Net of Excise Duty Rs. 30.58 Lakhs (Rs. 26.04 Lakhs)				
Other Income	14	1878.94		1769.00
Investment Income	15	10288.24		12123.01
		191429.35		183684.27
EXPENDITURE				
Purchases		103.49		156.91
Raw Materials Consumed	16	109116.04		99382.66
Expenses	17	59926.11		54344.61
Depreciation		1235.58		1232.41
Accretion to Stock	18	(2578.20)		(1468.77)
		167803.02		153647.82
		23626.33		30036.45
Interest (Net) (Refer Schedule 21, Note 11)		(2918.10)		(4506.02)
Profit before Exceptional Items		20708.23		25530.43
Exceptional Income	19	2329.48		24012.79
Profit before Taxation		23037.71		49543.22
Provision for Taxation	20	4979.20		10396.20
Profit after Taxation		18058.51		39147.02
Balance brought forward		34625.89		15806.54
		52684.40		54953.56
APPROPRIATIONS				
Proposed Dividend		12367.97		12367.97
Provision for Tax on Dividend (net) (Refer Schedule 21, Note 12)		1785.58		1944.70
Transfer from Debenture Redemption Reserve		8125.00		–
Transfer to Debenture Redemption Reserve		8125.00		2100.00
Transfer to General Reserve		1806.00		3915.00
		15959.55		20327.67
Balance Carried Forward		36724.85		34625.89
Basic and Diluted Earnings per Share (Rs.)		2.92		6.33
(Nominal Value Re. 1 each (Rs. 10) – Refer Schedule 21, Note 13)				

Notes on Accounts

21

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 Rajji & Co
Firm Registration No.: 108296W
Chartered Accountants

For Lovelock & Lewes
Firm Registration No.: 301056E
Chartered Accountants

R N Tata
Chairman

F K Kavarana
A R Gandhi
V Leeladhar
U M Rao
Ranjana Kumar
Directors

P T Siganporia
Managing Director

J M Gandhi
Partner
Membership No: 37924

Partha Mitra
Partner
Membership No: 50553

R K Krishna Kumar
Vice-Chairman

V Madan
Vice-President and
Secretary

Financial statements and notes

Schedules

Forming part of the Balance Sheet

Schedule 1

	Rs. in Lakhs	
	2011	2010
SHARE CAPITAL		
Authorised (*)		
75,00,00,000 (7,50,00,000) Equity Shares of Re. 1 each (Rs. 10 each)	7500.00	7500.00
Issued, Subscribed and Paid-up (*)		
61,83,98,570 (6,18,39,857) Equity Shares of Re 1 each (Rs. 10 each), fully paid-up	6183.99	6183.99
Of the above,		
a) 7,23,80,730 (72,38,073) Shares were allotted as fully paid pursuant to a contract without payment being received in cash		
b) 33,18,06,740 (3,31,80,674) Shares were allotted as fully paid Bonus Shares by capitalisation of General Reserve and Securities Premium Account		
	6183.99	6183.99

* With effect from record date 2 July 2010, the face value of the Company's shares have been subdivided from Rs. 10 per share to Re. 1 per share.

Schedule 2

	2010	Additions	Deductions	2011	2010
RESERVES AND SURPLUS					
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	8125.00	8125.00	8125.00	8125.00	8125.00
Securities Premium Account(**)	66472.50	-	6359.54	60112.96	66472.50
Hedging Reserve	(1072.90)	315.67	-	(757.23)	(1072.90)
General Reserve	91154.86	1806.00	-	92960.86	91154.86
				162736.42	166974.29
Profit and Loss Account				36724.85	34625.89
				199461.27	201600.18

** Deduction relates to expenditure of Rs. 13.99 Lakhs incurred during the year in connection with issue of 3% Non-Convertible privately placed Debentures and premium payable on redemption of the said debentures amounting to Rs. 6345.55 Lakhs.

Schedule 3

	Rs. in Lakhs	
	2011	2010
SECURED LOANS		
3250, 9.40% Non-Convertible, privately placed, Debentures of Rs. 10 Lakhs each	-	32500.00
The debentures were secured by way of a first mortgage on certain immovable properties of the Company and pledge of shares of certain companies held as investment.		
3250, 3% Non-Convertible, privately placed, Debentures of Rs. 10 Lakhs each	32500.00	-
Redeemable at a premium of Rs.1,95,247 per debenture on 4.11.2013, at the end of 3 years from the date of allotment, i.e. 4.11.2010. 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	18046.83	17144.50
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.		
	50546.83	49644.50

Schedule 4

UNSECURED LOANS

Other than Short Term

From Bank	-	321.43
	-	321.43

Financial statements and notes

Schedules (Continued)

Forming part of the Balance Sheet

Schedule 5

	Rs. in Lakhs							
	Cost			As at 31 March 2011	Depreciation		Net Book Value	
	As at 1 April 2010	Additions/ Adjustments	Deductions/ Adjustments		For the year	To date	As at 31 March 2011	As at 31 March 2010
FIXED ASSETS								
Tangible								
Land	144.21	–	–	144.21 [@]	–	–	144.21	144.21
Tea Estate Land/Fuel Area (Including Development)	554.99	–	–	554.99	–	–	554.99	554.99
Buildings	4052.43	70.33	0.84	4121.92 [@]	82.95	1101.27	3020.65	3034.50
Bridges	0.09	–	–	0.09	–	0.03	0.06	0.07
Plant and Machinery	12762.85	1680.59	624.17	13819.27 [@]	813.42	7732.44	6086.83	5437.00
Furniture, Fixtures and Office Equipment	2210.29	230.20	82.19	2358.30	235.85	1355.31	1002.99	1024.11
Motor Vehicles	314.78	20.15	40.20	294.73	11.95	202.18	92.55	88.70
Intangible								
Capitalised Software	749.82	95.27	–	845.09	61.41	730.46 ⁺	114.63	80.77
Non-Compete Fee	300.00	–	–	300.00	30.00	115.00 ⁺	185.00	215.00
Total	21089.46	2096.54	747.40	22438.60	1235.58	11236.69	11201.91	10579.35
Previous Year	19237.48	2232.79	380.81	21089.46	1232.41	10510.11	10579.35	
Capital Work-in-Progress (including capital advances)							302.92	
Previous Year							(557.02)	

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. 669.05 Lakhs** (Rs. 519.06 Lakhs) and Non-Compete Fee was **Rs. 85.00 Lakhs** (Rs. 55.00 Lakhs)
4. (+) Unexpired period of amortisation for capitalised software is 36 months for Rs. 25.20 Lakhs, 56 months for Rs. 79.31 Lakhs, 59 months for Rs. 10.12 Lakhs and Non-Compete Fee is 74 months.

Schedule 6

				Rs. in Lakhs	
	Class	Nos.	Face value of each	2011	2010
INVESTMENTS					
Long Term Investments (Fully Paid)					
Trade					
Quoted					
Tata Chemicals Ltd. (Note 1)	Equity Shares	15385522	Rs. 10	6922.38	6922.38
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	156.19
Tata Investment Corporation Ltd. (Note 2)	Warrants	20000	Rs. –	–	–
Tata Steel Ltd.	Equity Shares	12021	Rs. 10	17.02	17.02
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.	Equity Shares	391200 (791200)	Re. 1	1.21	2.45
The Indian Hotels Co. Ltd.	6% Non-Convertible Debentures with Detachable Warrants	140645	Rs. 100	140.65	140.65
				7933.38	7934.62
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. 100	4418.05	6627.08
Mount Everest Mineral Water Ltd.	Equity Shares	13910653	Rs. (150)	18460.73	18460.73
				39029.43	41238.46
# Inclusive of Rs. 2186.16 Lakhs (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 Capital Ltd. (Note 3)	Equity Shares	553889	Rs. 10	83.08	–
Tata Industries Ltd.	Equity Shares	6519441 (4346294)	Rs. 100	11582.32	5606.17
Estate Management Services (Pvt.) Ltd.	Ordinary Shares*	15346800	LKR 10	1106.21	1106.21
Taj Air Ltd.	Equity Shares	4200000	Rs. 10	420.00	420.00
NourishCo Beverages Limited	Equity Shares	2525000	Rs. 10	252.50	–
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	2441.00
Amalgamated Plantations Pvt. Ltd.	0.01% Non-Cum. Redeemable Preference Shares®	67000000	Rs. 10	6700.00	6700.00
Amalgamated Plantations Pvt. Ltd.	10% Redeemable Non-Convertible Debentures	25816200 (28271000)	Rs. 10	2581.62	2827.10
Infiniti Retail Limited	6% Secured Redeemable Non-Convertible Debentures#	13	Rs. 50000000	6500.00	5000.00
				32896.50	25330.25

* 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.

Financial statements and notes

Schedules (Continued)

Forming part of the Balance Sheet

Schedule 6

				Rs. in Lakhs	
Class	Nos.	Face value of each	2011	2010	
INVESTMENTS (Continued)					
Unquoted – in Subsidiary Companies:					
Tata Tea Extractions Inc. (formerly Tata Tea Inc.)	Common Stock	14000000	US\$ 1	5980.46	5980.46
Tata Global Beverages Group Ltd. (formerly Tata Tea GB Ltd.)	Ordinary Shares	70666290	GBP 1	50070.98	50070.98
Tata Global Beverages Capital Ltd. (formerly Tata Tea (GB) Capital Ltd.)	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	2469.93
Tata Tea Holdings Private Limited	Equity Shares	50000	Rs. 10	5.00	5.00
				144163.62	144163.62
@ Amount of Investments is RMB 385 Lakhs (RMB 385 Lakhs) in the share capital of the Company.					
Other than Trade:					
Quoted					
SBI Home Finance Ltd.	Equity Shares	100000	Rs. 10	–	–
				–	–
Unquoted – in Government Securities:					
W. B. Estates Acquisition Compensation Bond				0.08	0.08
				0.08	0.08
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 (The Tamil Nadu Tea Manufacturers' Service Industrial Co-operative Society Ltd.)	Equity Shares	1	Rs. 5000	0.05	0.05
				52.77	52.77

Schedule 6

				Rs. in Lakhs	
	Class	Nos.	Face value of each	2011	2010
INVESTMENTS (Continued)					
Current Investments (Fully paid)					
Other than Trade					
Unquoted – in units of Mutual Funds					
SBI Mutual Fund	Units of SBI Premier Liquid Fund	1994767	Rs. 10	200.13	–
	SBI Premier Plan – Super Institutional Plan – DDR				
Tata Mutual fund	Units of Tata Liquid Plus Fund	216086	Rs. 1115	2408.32	–
	Tata Liquid Fund SHIP – DDR				
UTI Mutual Fund	Units of UTI Liquid Cash Fund	19624	Rs. 1019	200.06	–
	UTI Liquid Fund Cash Plan – Institutional-DDR				
UTI Mutual Fund	Units of UTI Liquid Plus Fund	–	Rs. 1000	–	1626.71
	Treasury Advantage – Institutional – Dividend Scheme	(162636)			
UTI Mutual Fund	Units of UTI Floating Rate Fund	220472	Rs. 1001	2206.42	–
	UTI Floating Rate Fund – Short-Term Plan – Institutional – DDR				
Birla Mutual Fund	Units of Birla Sunlife Liquid Fund	–	Rs. 10	–	500.00
	Cash Manager – Dividend Scheme	(4998500)			
Birla Mutual Fund	Units of Birla Sunlife Liquid Plus Fund	–	Rs. 10	–	1928.92
	Saving Fund – Institutional – Dividend Scheme	(19276130)			
Fortis Mutual Fund	Units of Fortis Liquid Plus Fund	–	Rs. 10	–	352.52
	Money Plus Institutional Fund – Dividend Scheme	(3524073)			
IDFC Mutul Fund	Units of IDFC Liquid Plus Fund	–	Rs. 10	–	2254.60
	Money Manager Treasury Plan – C – Dividend Scheme	(22542589)			
HDFC Mutual Fund	Units of HDFC Liquid Fund	–	Rs. 10	–	2380.18
	Cash Management Treasury Advantage Fund – Dividend Scheme	(23727066)			
DSP BlackRock Mutual Fund	Units of DSP BlackRock Liquid Plus Fund	–	Rs. 1000	–	1266.65
	Floating Rate Fund – Institutional Plan – Dividend Scheme	(126596)			
Kotak Mutual Fund	Units of Kotak Liquid Plus Fund	–	Rs. 10	–	1875.54
	Floater Long Term – Dividend Scheme	(18606883)			
	Institutional Premium Plan				
Total				5014.93	12185.12
				229090.71	230904.92
Cost of Investments					
Long Term					
Quoted (including Subsidiary Companies)				46962.81	49173.08
Unquoted (including Subsidiary Companies)				177112.97	169546.72
Unquoted Current Investment – in units of mutual fund				5014.93	12185.12
Aggregate Amount				229090.71	230904.92
Market Value of Quoted Investments				194769.32	122273.48
Net Asset Value of Current Investments				5014.93	12185.12

Notes:

- 1538522 shares of Tata Chemicals Limited and 10735982 shares of Tata Coffee Limited are pledged against outstanding 3% Non-Convertible privately placed 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 one ordinary share at a price of Rs. 400 per share during the month of April 2011.
- Based on the Company's holding in Tata Sons Limited of 1755 equity Shares, the Company was offered 553889 Equity Shares of Rs. 10 each at a premium of Rs. 5 per share in Tata Capital Limited.

Financial statements and notes

Schedules (Continued)

Forming part of the Balance Sheet

Schedule 6

	No. of Units
INVESTMENTS (Continued)	
4. Current Investments bought & sold during the year:	
Baroda Pioneer Liquid Fund – Institutional Plan – DDR	110740789
Baroda Pioneer Treasury Advantage Fund – Institutional Plan – DDR	43634236
Birla Cash Plus – Institutional Premium Plan – DDR	35461612
Birla Sun Life Ultra Short Term Fund – Institutional Plan – DDR	10046473
Birla Sunlife Cash Manager – Institutional Plan	5545
Birla Sunlife Savings Fund – Institutional DDR	13251062
BNP Paribas Overnight Fund – Institutional Plan – DDR	44030046
BNP Paribas Money Plus Institutional Plan Fund – DDR	10548316
DSP Black Rock Floating Rate Fund – Institutional Plan – DDR	41568
DSP Black Rock Liquidity Fund – Institutional Plan – DDR	270160
DSP Black Rock Money Manager Fund – Institutional Plan – DDR	50010
DWS Insta Cash Super Institutional Plan – DDR	91846975
HDFC Cash Mgmt Fund – Treasury Advantage Fund	165842
HDFC Liquid Fund-Premium Plan – DDR	17136830
IDFC Liquid Cash Plan C – Super Institutional Plan – DDR	73929454
IDFC Money Manager Treasury Plan – Plan C – DDR	154518
JM High Liquidity Fund – Institutional – DDR	5003936
JM High Liquidity Fund – Super Institutional – DDR	51498593
JM Money Manager Plus Fund – DDR	2008051
Kotak Floater Long Term – DDR	23157
Kotak Floater Short Term – DDR	30183304
Kotak Liquid – Institutional Plan – DDR	15135145
Kotak Liquid (Institutional Premium Plan) – Growth	3438498
Prudential ICICI Liquid Fund – Institutional Plus – DDR	1975079
SBI Magnum Insta Cash Fund – DDR	16432757
SBI Premier Liquid Fund – Institutional – DDR	4487119
SBI Premier Liquid Fund – Super Institutional – DDR	45406550
Tata Liquid Fund – Super High Investment Plan	1235343
Tata Money Market Fund – Institutional Plan – DDR	60055978
Templeton TMA Super Institutional Plan – DDR	170194
UTI Fixed Income Interval Fund – Monthly Interval Plan Series – I	10045481
UTI Floating Rate Fund – Short Term Plan – Institutional – DDR	114582
UTI Liquid Fund Cash Plan – Institutional – DDR	1761828
UTI Money Market Fund – Institutional – DDR	923450
UTI Treasury Advantage Fund – Institutional – DDR	965227

Schedule 7

	Rs. in Lakhs	
	2011	2010
INVENTORIES		
Stores, Spare Parts and Packing Materials	2932.25	1775.03
Raw Materials	27146.65	25704.72
Finished Goods	12912.26	10334.06
	42991.16	37813.81

Schedule 8

SUNDRY DEBTORS

(Unsecured)		
Debts outstanding for a period exceeding six months	582.95	589.06
Other Debts	10126.05	11561.22
	10709.00	12150.28
Less: Provision for Doubtful Debts	519.34	511.19
	10189.66	11639.09
Note:		
Debts considered good	10189.66	11639.09
Debts considered doubtful	519.34	511.19
	10709.00	12150.28

Schedule 9

CASH AND BANK BALANCES

Cash in hand	4.27	3.52
With Scheduled Banks on Current Account	682.95	532.52
	687.22	536.04

Schedule 10

OTHER CURRENT ASSETS

Interest Accrued*	517.57	837.44
Receivable from Amalgamated Plantations Pvt. Ltd.	60.00	60.00
	577.57	897.44

* Interest accrued includes – Interest pertaining to Subsidiaries – **Rs. 78.79 Lakhs** (Rs.118.20 Lakhs).

Financial statements and notes

Schedules (Continued)

Forming part of the Balance Sheet

Schedule 11

	Rs. in Lakhs			
	2011		2010	
LOANS AND ADVANCES				
(Unsecured and considered good unless otherwise stated)				
Loans (Secured)	2400.00		3400.00	
Advances recoverable in cash or in kind or for value to be received				
Considered good	10536.88		8401.62	
Considered doubtful	55.18		55.18	
	12992.06		11856.80	
Less: Provision for doubtful advances	55.18	12936.88	55.18	11801.62
Deposits				
Considered good	1664.69		1834.14	
Considered doubtful	28.89		29.07	
	1693.58		1863.21	
Less : Provision for doubtful deposits	28.89	1664.69	29.07	1834.14
Balances with Excise Authorities, Port Trust etc.	1.69		0.86	
	14603.26		13636.62	

Advances include

Notes:

1. Due from Subsidiary Companies – **Rs. 1458.82 Lakhs** (Rs. 482.58 Lakhs).
2. Due from an Officer – **Rs. 1.40 Lakhs** (Rs. Nil) and maximum amount due during the year **Rs. 2 Lakhs** (Rs. 0.20 Lakhs).
3. Inter Corporate Deposits **Rs. 5000 Lakhs** (Rs. 5000 Lakhs).

Deposits include

Rs. 211.53 Lakhs (Rs. 532.96 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 21, Note 5)	63.15		55.48	
– Total outstanding dues to creditors other than micro and small enterprises	28466.66	28529.81	27322.50	27377.98
Interest accrued but not due	406.86		1335.46	
Other Liabilities	7608.23		1278.41	
	36544.90		29991.85	

* Includes due to Subsidiary Companies – **Rs. 964.43 Lakhs** (Rs. 357.26 Lakhs).
There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

Schedule 13

PROVISIONS

Taxation less advance payment of Rs. 94428.63 Lakhs (Rs. 87669.36 Lakhs)	3499.89		4482.23	
Proposed Dividend	12367.97		12367.97	
Tax on Dividend	1919.31		2054.17	
	17787.17		18904.37	

Financial statements and notes

Schedules (Continued)

Forming part of the Profit and Loss Account

Schedule 14

	Rs. in Lakhs	
	2011	2010
OTHER INCOME		
Miscellaneous Receipts	676.78	716.28
Liabilities no longer required written back	467.96	365.01
Management Service Fees	704.56	643.35
Rent received	29.64	44.36
	1878.94	1769.00

Schedule 15

INVESTMENT INCOME		
Income from Long-term Investments (Gross)		
Trade*		
– Interest	669.42	1025.68
– Dividend	2208.55	2563.28
Subsidiary Companies**		
– Interest	424.50	463.90
– Dividend	6640.18	7551.17
Others		
– Dividend	2.90	2.20
	9945.55	11606.23
Dividend from Current Investments	342.36	493.77
Profit on sale of Current investments (net)	0.33	23.01
	10288.24	12123.01

* Tax deducted at source – Rs. 66.14 Lakhs (Rs. 102.34 Lakhs).

** Tax deducted at source – Rs. 232.61 Lakhs (Rs. 431.01 Lakhs).

Schedule 16

RAW MATERIALS CONSUMED		
Opening Stock	25704.72	17585.65
Add: Purchases	110557.97	107501.73
	136262.69	125087.38
Less: Closing Stock	27146.65	25704.72
	109116.04	99382.66

Financial statements and notes

Schedules (Continued)

Forming part of the Profit and Loss Account

Schedule 17

	Rs. in Lakhs	
	2011	2010
EXPENSES		
Salaries, Wages and Bonus*	7029.67	6968.22
Contribution to Provident Fund and other Funds	882.36	841.67
Workmen and Staff Welfare Expenses	1127.70	1235.08
Cultivation, Plucking, Manufacturing and Contract Packing Expenses**	3428.85	2853.74
Consumption of Packing Materials	11196.05	9860.24
Consumption of Stores and Spare Parts	579.28	641.26
Power and Fuel (net of recovery)	2064.76	1702.01
Repairs to Plant and Machinery	299.23	229.10
Repairs to Buildings	509.68	491.34
General Repairs	174.03	163.26
Rent	1710.31	1210.22
Rates and Taxes	556.69	736.37
Advertisement and Sale Charges	13593.63	12757.30
Commission on Sales	1287.42	1163.10
Brokerage and Discount	3.86	3.70
Freight	4390.28	3467.57
Insurance	434.70	366.83
Miscellaneous Expenses	10456.28	9340.61
Audit Fees	31.00	27.00
Provision for Doubtful Debts and Advances	9.29	5.77
Loss on Sale/Discard of Fixed Assets (net)	161.00	262.98
Debts and Advances written off***	0.04	17.24
	59926.11	54344.61

* Includes net credit **Rs. 339.19 Lakhs** (Rs. 345.27 Lakhs) relating to earlier years.

** Includes Contract Packing Expenses **Rs. 2902.17 Lakhs** (Rs. 2345.77 Lakhs).

*** Net of provision for debts and advances written back **Rs. 1.32 Lakhs** (Rs. 20.85 Lakhs).

Schedule 18

	Rs. in Lakhs	
	2011	2010
ACCRETION TO STOCK		
Stock as at 1 April		
Tea	10289.26	8825.72
Others	44.80	39.57
	10334.06	8865.29
Stock as at 31 March		
Tea	12853.81	10289.26
Others	58.45	44.80
	(2578.20)	10334.06
		(1468.77)

Schedule 19

EXCEPTIONAL INCOME/(EXPENDITURE)		
Income		
Profit on sale of Long-Term Trade Investments	4440.04	24772.32
Expenditure		
Employee Separation Scheme	(2110.56)	(759.53)
	2329.48	24012.79

Schedule 20

PROVISION FOR TAXATION		
Income Tax*	5761.92	10843.23
Wealth Tax	15.00	15.00
Deferred Tax	(797.72)	(462.03)
	4979.20	10396.20

* Net of reversal of provision relating to earlier year **Rs. 368.87 Lakhs** (Rs. 166 Lakhs).

Schedule 21

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 or on estimated useful life. Renewal of land leases is assumed, consistent with past practice. Expenditure on software and related implementation costs are capitalised 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 recognised 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 recognised 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.

Schedule 21 (Continued)

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.

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 and, for certain categories, contributions are made to State Plans. 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 recognises 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 is 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.

iii) **Other Employee Termination Benefits:** 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 charged to Profit and Loss Account in the year in which it is incurred.

l) Research and Development

Research and Development expenditure of revenue nature is charged to revenue and capital expenditure is included under fixed assets.

m) 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.

n) 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.

Financial statements and notes

Schedules (Continued)

Notes to Accounts

Schedule 21 (Continued)

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 the balance sheet date and gain or loss recognised in the Profit and Loss Account.

o) Leases

Rental in respect of operating leases are charged off to Profit and Loss Account.

2 The name of the Company was changed from Tata Tea Limited to Tata Global Beverages Limited with effect from 2 July 2010. Whilst, there is no change in the line of business, the change in the name signals the intent to be truly global and to focus on wider branded beverage agenda.

3 Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March 2011 aggregated **Rs. 1146.33 Lakhs** (Rs. 579.24 Lakhs) (Net of advances **Rs. 146.92 Lakhs** (Rs. Nil)).

4 Contingent Liabilities not provided for in respect of:

a) Claims under adjudication not acknowledged as debts:

	Rs in Lakhs	
	Gross	Net of Estimated Tax
i) Taxes, Statutory Duties/Levies etc.	523.87 (362.10)	316.47 (208.40)
ii) Commercial and other Claims	497.49 (157.45)	319.75 (93.08)
iii) Income –tax/Agricultural Income-tax	Nil (20.62)	Nil (20.62)

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. 34.94 Lakhs).

d) Guarantee given to the lender of a subsidiary **Rs. 5950.54 Lakhs** (Rs. 5990.57 Lakhs), 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 31 March 2011.

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.

Schedule 21 (Continued)

7 The major components of the Deferred Tax Assets/Liabilities, based on the tax effect of the timing differences, as at 31 March 2011, are as under:

	2011	Rs. in Lakhs 2010
Deferred Tax Liability		
Depreciation	1716.19	1922.22
	1716.19	1922.22
Deferred Tax Asset		
Provision for doubtful debts/advances	196.10	197.79
Employee benefits	1359.73	1295.44
Employee Separation Schemes	632.01	–
Carry forward agricultural income tax loss*	36.38	22.36
Other Assets	371.72	488.66
	2595.94	2004.25
Deferred Tax Asset – Net	879.75	82.03

* To the extent of offsetting deferred tax liabilities.

8 Expenditure debited to the Profit and Loss Account includes in the aggregate:

	2011	Rs. in Lakhs 2010
Staff Cost		
Salaries, Wages and Bonus (Refer Schedule 17)	7029.67	6968.22
Contribution to Provident Fund and other Funds (Refer Schedule 17)	882.36	841.67
Workmen and Staff Welfare (Refer Schedule 17)	1127.70	1235.08
Salaries and wages debited to other expenditure heads	437.87	458.48
	9477.60	9503.45
Stores, Spare Parts and Packing Materials consumed – Gross	12174.35	10831.82

9 Expenditure incurred in respect of the Company's Research and Development:

Capital Expenditure	2.48	64.45
Revenue Expenditure	321.99	383.10
	324.47	447.55

10 a) Miscellaneous Expenses include:

Payment to Auditors (as Auditor):		
Tax Audit	9.00	7.00
Other Services	56.67	41.80
Reimbursement of Expenses	12.20	15.01
Exchange Loss (Net)	672.81	647.97
Management Service Fees	2140.66	2185.83
Contribution to Electoral Trust	–	100.00

b) Miscellaneous Receipts include:

Tea Board and other subsidies	9.32	57.23
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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 five months to five 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. 240.69 Lakhs** (Rs. 215.59 Lakhs) are charged under Miscellaneous expense under Schedule 17 of Profit and Loss Account.

Financial statements and notes

Schedules (Continued)

Notes to Accounts

Schedule 21 (Continued)

	2011	2010
Rs. in Lakhs		
11 Interest (net) comprises:		
Interest charged on:		
Fixed loans	1371.79	1068.35
Debentures	2268.99	3055.00
Discount on commercial paper	-	1175.92
Other Loans	256.14	335.13
	3896.92	5634.40
Less: Interest received (Gross) on:		
Advances (Tax deducted at source Rs. 89.67 Lakhs (Rs. 109.26 Lakhs))	896.40	790.03
Deposits (Tax deducted at source Rs. 7.24 Lakhs (Rs. 8.44 Lakhs))	72.76	72.80
Other current assets (Tax deducted at source Rs. Nil (Rs. 14.83 Lakhs))	-	148.35
Others	9.66	117.20
	978.82	1128.38
	2918.10	4506.02

12 Provision for tax on dividend is net of **Rs. 220.82 Lakhs** (Rs. 109.47 Lakhs), including **Rs. 133.73 Lakhs** (Rs. 109.47 Lakhs) relating to earlier years, on account of dividend received from a subsidiary.

13 Basic and Diluted Earnings Per Share have been computed with reference to Profit after tax of **Rs. 18058.51 Lakhs** (Rs. 39147.02 Lakhs) and weighted average equity shares outstanding (nominal value Re. 1) during the year aggregating to 6183.99 Lakhs shares. With effect from 2 July 2010, the face value of the Company's shares has been subdivided from Rs. 10 per share to Re. 1 per share. Earnings per share for previous year have been computed based on the revised number of shares.

14 Licensed and installed capacity and actual production

	Licensed Capacity	Installed Capacity	Actual Saleable Production	
(i) Tea*	Not Applicable	Not Ascertainable	Kgs in Lakhs	876.78
				849.14
			Excluding free issues to labour and samples	4.95
				1.51
(ii) Others**	-	-	In various units	30.40
				18.22
			Excluding sample	Nil
				Nil

* Includes production through contract packers **681.72 Lakhs Kgs** (631.25 Lakhs Kgs)

** Includes production through contract packers **30.09 Lakhs Ltrs** (17.94 Lakhs Ltrs)

Schedule 21 (Continued)

15 Opening and Closing Stock of Goods

		Opening Stock	Closing Stock
Tea*	Kgs in Lakhs	80.58	89.81*
		(79.79)	(80.58)
Others	In various units	1.82	3.86
		(1.03)	(1.82)

* After adjustment of handling loss (net) of 0.08 Lakhs Kgs (handling gain (net) of 0.28 Lakh Kgs)

16 Purchases and Sales of Goods and Services rendered

	Purchases of Finished Goods for Resale		Sales and Services	
	Quantity Kgs in Lakhs	Value Rs in Lakhs	Quantity Kgs in Lakhs	Value Rs in Lakhs
Tea	1.15	84.61	868.62	177759.04
	(1.81)	(156.91)	(850.44)	(168682.02)
Others			various items	1352.09
				(941.66)
Services Rendered				181.62
				(194.62)
				179292.75
				(169818.30)
Less: Excise Duty				30.58
				(26.04)
		84.61		179262.17
		(156.91)		(169792.26)

17 Details of Raw Materials Consumed

	Quantity Kgs in Lakhs	Value Rs in Lakhs
Tea	885.29	106224.34
	(842.31)	(96118.60)
Green Leaf (Own Estates)*	77.64	-
	(84.94)	-
(Purchases)	107.72	1820.59
	(101.41)	(2032.53)
Others		1071.11
		(1231.53)
		109116.04
		(99382.66)

* Excludes Cost of Green Leaf produced in the Company's own estates and consumed during the year is **Rs 802.99 Lakhs** (Rs. 766.92 Lakhs) which has been included under various head of expenses.

Financial statements and notes

Schedules (Continued)

Notes to Accounts

Schedule 21 (Continued)

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

	Raw Materials		Stores, Spare Parts and Packing Materials	
	Value Rs. in Lakhs	% of total consumption	Value Rs. in Lakhs	% of total consumption
Imported	3385.45 (3456.39)	3.10 (3.48)	1863.66 (1968.11)	15.31 (18.17)
Indigenous	105730.59 (95926.27)	96.90 (96.52)	10310.69 (8863.71)	84.69 (81.83)
	109116.04 (99382.66)	100.00 (100.00)	12174.35 (10831.82)	100.00 (100.00)

19 Earnings in Foreign Exchange

	2011	2010
Value of Exports at F.O.B.	15556.48	15558.84
Technical Service Fees – Gross*	89.30	93.55
Dividends – Gross**	5345.55	6955.21
Management Service Fees	704.56	642.83
Others (Freight, Insurance etc.)	1159.77	821.89
	22855.66	24072.32

* Tax deducted at source – Rs. 8.92 Lakhs (Rs. 9.16 Lakhs)

** Tax deducted at source – Rs. 232.61 Lakhs (Rs. 431.01 Lakhs)

	2011	2010
20 Expenditure in Foreign Currency		
Selling Expenses	265.89	320.38
Foreign Travel	128.24	99.88
Professional Fees	95.68	65.96
Management Service Fees	1735.87	1717.12
Other Expenses	244.18	311.53

21 Dividend remitted in foreign currency

No. of shareholders	1	1
No. of shares held in Lakhs	14.65	0.17
Dividend remitted	29.30	2.95
Year	2009/10	2008/09

22 Value of Imports on C.I.F. basis

Raw Materials	3625.59	3548.87
Stores, Spare Parts and Packing Materials	1868.76	1640.10
Capital Goods	7.23	1023.78

Schedule 21 (Continued)

23 Computation of Profit in accordance with Section 198 of the Companies Act, 1956

	Rs. in Lakhs	
	2011	2010
Profit for the year before taxation as per Profit and Loss Account	23037.71	49543.22
Add:		
Directors' Remuneration	336.85	506.22
Provision for doubtful debts/advances	9.29	5.77
Depreciation	1235.58	1232.41
Amortisation of payments under Employees' Separation Scheme	2110.56	759.53
	3692.28	2503.93
	26729.99	52047.15
Less:		
Provision for Doubtful Debts written back	1.32	20.85
Depreciation u/s 350 of the Companies Act, 1956	1144.17	1052.45
Amortisation of Intangibles	91.41	179.96
Profit on sale of Investments (net)	4440.37	24795.33
	5677.27	26048.59
Net Profit	21052.72	25998.56
Commission to Directors		
i) Whole-time Director	-	95.00
ii) All other Directors*	205.00	225.00
	205.00	320.00

* Within a limit of 1% of the net profit.

Directors' Remuneration

i) Managing Director/Whole-time Directors			
Salary	69.66	79.52	
Commission	-	95.00	
Short/(excess) provision for earlier year provided/written back	(5.00)	(5.00)	
Expenditure on Gratuity and Superannuation schemes	14.04	18.55	
Estimated value of other benefits	38.75	54.95	
	117.45		243.02
ii) Other Directors – Commission	205.00	225.00	
Sitting Fees	23.40	18.30	
Short/(excess) provision for earlier year provided/written back Fees	(9.00)	19.90	263.20
	336.85		506.22

(iii) Commission from two subsidiaries to certain directors – **Rs. 31.45 Lakhs** (Rs. 8.54 Lakhs) .

(iv) Remuneration to Managing Director from a subsidiary – Salary and Bonus **Rs. 252.06 Lakhs** (Rs. 320.87 Lakhs), and other benefits **Rs. 41.73 Lakhs** (Rs. 43.32 Lakhs). Salary and bonus for the current year includes **Rs. 35.26 Lakhs** (Rs. 95.20 Lakhs) pertaining to 2009/10 (2008/09) paid in 2010/11 (2009/10).

(v) The above does not include share of recurring retirement benefits payable to former Managing Director.

Financial statements and notes

Schedules (Continued)

Notes to Accounts

Schedule 21 (Continued)

24 a) Related Party and Disclosure

Related Parties

Promoter

Tata Sons Ltd.

Subsidiaries

Tata Global Beverages Group Ltd. (formerly Tata Tea GB Ltd.)
Tata Global Beverages Holdings Ltd. (formerly Tetley Group Holdings Ltd.)
Tata Global Beverages Services Ltd. (formerly The Tetley Group Ltd., UK)
Tata Global Beverages GB Ltd. (formerly Tetley GB Ltd.)
Tata Global Beverages Overseas Holdings Ltd.
(formerly Tetley Overseas Holdings Ltd.)
Tata Global Beverages Overseas Ltd. (formerly Tetley Overseas Ltd.)
Lyons Tetley Ltd.
Tata Global Beverages U.S. Holdings, Inc. (formerly Tetley US Holdings Inc.)
Tetley USA Inc.
Tata Global Beverages Canada Inc. (formerly Tetley Canada Inc.)
Tata Global Beverages Australia Pty. Ltd. (formerly Tetley Australia Pty. Ltd.)
Stansand Ltd.
Stansand (Brokers) Ltd.
Stansand (Africa) Ltd.
Stansand (Central Africa) Ltd.
Tata Global Beverages Polska sp. zo.o (formerly Tetley Polska sp. zo.o)
Drassington Ltd. UK
Good Earth Corporation
Good Earth Teas Inc.
Teapigs Ltd.
Tata Global Beverages Czech Republic a.s. (formerly Jemca a.s.)
Joekels Tea Packers (Proprietary) Ltd. (South Africa)
Tata Global Beverages Investments Ltd.
(formerly Tata Tea (GB) Investments Ltd.)
Campestres Holdings Ltd.
Kahutara Holdings Ltd.
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 Extractions Inc (formerly Tata Tea Inc.)
Tata Global Beverages Capital Ltd. (formerly Tata Tea (GB) Capital Ltd.)
Mount Everest Mineral Water Ltd.
Zhejiang Tata Tea Extraction Company Ltd.
Tata Tea Holdings Private Ltd.

Associates

Estate Management Services Pvt. Ltd., Sri Lanka
Watawala Plantations Ltd., Sri Lanka
Amalgamated Plantations Pvt. Ltd.

Joint Ventures

NourishCo Beverages Ltd.

Associates of Subsidiaries

The Rising Beverages LLC

Joint Venture of Subsidiaries

Tetley ACI (Bangladesh) Ltd.
Southern Tea LLC
Empirical Group LLC
Tetley Clover (Private) Ltd.
Tata Coffee (Uganda) Ltd.

Key Management Personnel

Mr P.T. Sigamporia – Managing Director
Ms Sangeeta Talwar – Executive Director
(up to 31 July 2010)

Schedule 21 (Continued)

Particulars of transactions during the year ended 31 March 2011

Nature of Transactions	Rs. in Lakhs				
	Subsidiaries	Associates/ joint ventures	Promoter	Key Management Personnel	Total
Sale of Goods and Services	14775.69	91.40	-	-	14867.09
	(13886.02)	(138.47)	-	-	(14024.49)
Other Income	704.56	-	1.12	-	705.68
	(643.34)	-	-	-	(643.34)
Rent Paid	-	38.09	21.97	-	60.06
	-	-	(21.96)	-	(21.96)
Purchase of Goods and Services	4380.50	19393.99	-	-	23774.49
	(3256.70)	(22404.22)	-	-	(25660.92)
Fees for Product Development	330.90	-	-	-	330.90
	(82.73)	-	-	-	(82.73)
Other Expenses (Net)	-	305.36	493.67	-	799.03
	-	(134.28)	(473.74)	-	(608.02)
Purchase of Fixed Assets	11.41	-	-	-	11.41
	(320.94)	-	-	-	(320.94)
Reimbursement of Expenditure	449.42	131.51	-	-	580.93
	(529.55)	(92.70)	-	-	(622.25)
Dividend/Interest received	7064.67	609.54	122.85	-	7797.06
	(8015.07)	(1940.92)	(122.85)	-	(10078.84)
Dividend Paid	39.65	-	2817.44	-	2857.09
	(34.69)	-	(2465.26)	(0.13)	(2500.08)
Investments Redeemed	2209.03	245.48	-	-	2454.51
	-	(10414.92)	-	-	(10414.92)
Deposits Given	-	-	25.00	-	25.00
	-	-	(144.00)	-	(144.00)
Investments Made	-	252.50	-	-	252.50
	(1378.00)	(15682.02)	-	(0.25)	(17060.27)
Directors' Remuneration	-	-	-	117.44	117.44
	-	-	-	(243.02)	(243.02)
Outstanding at the year end:					
Debit	5662.60	14.00	-	-	
	(5418.05)	(90.57)	-	-	
Credit	963.88	158.34	44.66	-	
	(354.10)	(1328.14)	(73.42)	(95.00)	

Financial statements and notes

Schedules (Continued)

Notes to Accounts

Schedule 21 (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	
		2011	2010
1. Sale of Goods and Services	Tata Global Beverages Group Ltd. (formerly Tata Tea (GB) Ltd.)	1879.73	1237.68
	Tata Global Beverages Australia Pty Ltd. (formerly Tetley Australia Pty. Ltd.)	4749.81	4771.16
	Tata Global Beverages Polska Sp. zo.o (formerly Tetley Polska Sp. zo.o Poland)	2151.78	2111.49
	Tata Tea Extractions US Inc. (formerly Tata Tea Inc.)	5290.62	4938.88
2. Other Income	Tata Global Beverages Group Limited (formerly Tata Tea (GB) Ltd.)	704.56	570.26
3. Purchase of Goods and Services	Amalgamated Plantations Pvt. Ltd.	19286.20	22223.87
4. Rent Paid	Tata Sons Ltd.	21.97	21.96
	Amalgamated Plantations Pvt. Ltd.	38.09	-
5. Fees for Product Development	Mount Everest Mineral Water Ltd.	330.90	82.73
6. Other Expenses (Net)	Tata Sons Ltd.	493.67	473.74
	Amalgamated Plantations Pvt. Ltd.	305.36	692.08
7. Purchase of Fixed Assets	Tata Coffee Ltd.	11.41	-
	Tata Global Beverages Group Ltd. (formerly Tata Tea (GB) Ltd.)	-	320.94
8. Reimbursement of Expenditure	Mount Everest Mineral Water Limited	449.42	529.55
	Amalgamated Plantations Pvt. Ltd.	131.51	92.70
	Tata Global Beverages Group Ltd. (formerly Tata Tea (GB) Ltd.)	1662.15	1773.73
9. Dividend and Interest Received	Tata Global Beverages Capital Ltd. (formerly Tata Tea (GB) Capital Ltd.)	2073.46	2249.12
	Tata Coffee Ltd.	1766.50	1108.06
	Consolidated Coffee Inc.	1224.83	2415.78
	Amalgamated Plantations Pvt. Ltd.	562.15	1301.95
	Tata Sons Ltd.	2817.44	2465.26
11. Deposits Given	Tata Sons Ltd.	25.00	144.00
12. Investments Sold	Tata Coffee Ltd.	2209.03	-
	Amalgamated Plantations Pvt. Ltd.	245.48	10414.92
13. Investments Made	Amalgamated Plantations Pvt. Ltd.	-	15682.02
	NourishCo Beverages Ltd.	252.50	-

Schedule 21 (Continued)

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
	India	Outside India	Total
By Geographical Segments:			
Sales Revenue	162456.60	16805.57	179262.17
	(153318.00)	(16474.26)	(169792.26)
Segment Assets	65449.94	4463.46	69913.40
	(59139.75)	(5170.21)	(64309.96)
Purchase of Fixed Assets	2096.54	–	2096.54
	(2232.79)	–	(2232.79)

Geographical Segments:

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

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

26 Interest in Joint Venture

- During the year the Company has entered into a Joint Venture with PepsiCo India Holding Private Limited and formed a jointly controlled entity named NourishCo Beverages Limited, which is incorporated in India with 50% interest.
- The Company's current interest in the Joint venture is reported as Long-Term Investments (Schedule 6) and stated at cost. The Company's share in Cash and Bank Balances in this joint venture is **Rs. 252.50 Lakhs** (P.Y. – Nil).
- Capital commitment of the Company in relation to the interest in NourishCo Beverages Limited is Rs. 2247.50 Lakhs, being its contribution to subscribe to Share Capital of the joint venture as and when required.

27 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 recognised 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. 661.12 Lakhs** (P.Y. Rs. 648.91 Lakhs) has been charged to the Profit and 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 recognised funds have been set up, annual contributions are also made by the Company. Employees are not required to make any contribution.

Financial statements and notes

Schedules (Continued)

Notes to Accounts

Schedule 21 (Continued)

Amounts recognised in the Balance Sheet are as follows:

	Rs in Lakhs														
	Pension					Gratuity					Medical				
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
Present value of funded obligation	896.27	911.38	1374.61	1475.37	2076.93	2053.42	1909.66	1848.97	1521.69	4107.06	-	-	-	-	-
Fair Value of Plan Assets	1023.49	999.38	1360.36	1645.22	2224.62	1811.62	1851.47	1363.37	1409.94	3946.27	-	-	-	-	-
	(127.22)	(88.00)	14.25	(169.85)	(147.69)	241.80	58.19	485.60	111.75	160.79	-	-	-	-	-
Present Value of Unfunded Obligation	526.62	583.60	336.91	371.58	831.67	-	-	-	-	-	2491.08	2121.41	1791.52	1556.31	1572.00
Amount not recognized as an asset (limit in Para 59 (b) of AS - 15)	58.83	40.53	6.29	-	-	-	-	-	0.45	-	-	-	-	-	-
Net Liability	458.23	536.13	357.45	201.73	683.98	241.80	58.19	485.60	112.20	160.79	2491.08	2121.41	1791.52	1556.31	1572.00

Amounts recognised 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:

	Rs in Lakhs														
	Pension					Gratuity					Medical				
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
Current Service Cost	-	-	-	-	81.63	87.09	85.91	69.57	66.92	231.51	88.62	70.50	40.62	58.65	58.41
Interest on obligation	109.01	108.06	102.10	193.69	285.49	148.99	132.01	117.82	99.80	296.55	174.03	133.97	115.32	131.66	119.04
Expected Return on Plan Assets	(66.87)	(69.98)	(77.13)	(165.95)	(167.41)	(134.48)	(99.36)	(104.66)	(96.03)	(289.48)	-	-	-	-	-
Net actuarial loss/(gain) recognised during the year	(89.76)	(66.99)	34.27	(146.61)	(295.84)	165.39	(45.94)	397.02	78.42	(132.56)	188.15	194.69	298.41	(171.99)	(126.22)
Other Credits	-	-	-	(94.31)	(18.56)	5.19	-	-	(44.80)	-	-	-	-	-	-
Effects of the limit in Para 59(b)	18.29	34.24	6.29	-	-	0.11	-	(0.45)	0.45	-	-	-	-	-	-
Loss/(gain) on curtailment/settlement	-	-	-	-	(818.26)	-	-	-	-	-	-	-	-	-	-
Total recognised in Profit and Loss Account	(29.33)	5.33	65.53	(213.18)	(932.95)	272.29	72.62	479.30	104.76	106.02	450.80	399.16	454.35	18.32	51.23

Schedule 21 (Continued)

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

	Pension			Gratuity			Medical			Rs. in Lakhs					
	2011	2010	2009	2011	2010	2009	2011	2010	2009	2011	2010	2009			
Opening defined benefit obligation	1494.98	1711.52	1846.95	2908.60	3957.77	1909.66	1848.97	1521.69	4107.06	4016.32	2121.41	1791.52	1556.31	1572.00	1559.67
Current Service Cost	-	-	-	-	81.63	87.09	85.91	69.57	66.92	231.51	88.62	70.50	40.62	58.65	58.41
Past Service Cost	-	-	-	-	-	5.19	-	-	-	-	-	-	-	-	-
Interest Cost	109.01	108.06	102.10	193.69	285.49	148.99	132.01	117.82	99.80	296.55	174.03	133.97	115.32	131.66	119.04
Actuarial loss/(gain)	(95.90)	(34.38)	60.96	(125.20)	(291.72)	199.87	42.52	367.61	149.54	(29.02)	188.15	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)	-	29.76	-	-	(2791.32)	-	-	-	(165.59)	-	-
Benefits Paid	(85.20)	(290.22)	(138.64)	(246.82)	(306.31)	(327.14)	(199.75)	(227.72)	(110.31)	(408.30)	(81.13)	(69.27)	(53.55)	(34.01)	(38.90)
Closing Defined Benefit Obligation	1422.89	1494.98	1711.52	1846.95	2908.60	2053.42	1909.66	1848.97	1521.69	4107.06	2491.08	2121.41	1791.52	1556.31	1572.00

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

	Pension			Gratuity			Rs. in Lakhs			
	2011	2010	2009	2011	2010	2009	2011	2010	2009	
Opening fair value of Plan Assets	999.38	1360.36	1645.22	2224.62	2311.12	1851.47	1363.37	1409.94	3946.27	3961.55
Expected Return on Plan Assets	66.87	69.98	77.13	165.95	167.41	134.48	99.36	104.66	96.03	289.48
Actuarial gain/(loss)	(6.14)	32.61	26.69	21.41	4.12	34.48	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)	-	88.57	500.03	105.90	198.15	-
Assets acquired on Acquisition/(settled on Divestiture)	-	-	-	-	-	29.76	-	-	(2791.32)	-
Transfer from forfeiture reserve	-	-	-	-	18.56	-	-	-	-	-
Benefits Paid	(36.62)	(257.72)	(105.46)	(215.19)	(276.59)	(327.14)	(199.75)	(227.72)	(110.31)	(408.30)
Closing Fair Value of Plan Assets	1023.49	999.38	1360.36	1645.22	2224.62	1811.62	1851.47	1363.37	1409.94	3946.27
Actual Return on Plan Assets	60.73	102.59	103.82	187.36	171.53	168.96	187.82	75.25	167.14	393.02

Financial statements and notes

Schedules (Continued)

Notes to Accounts

Schedule 21 (Continued)

Major categories of plan assets as a percentage of fair value of the total plan assets:

	2011	2010	2009	2008	2007
	%	%	%	%	%
Govt of India Securities	11	5	7	5	5
PSU bonds	4	2	2	2	3
Insurance managed Funds	82	93	82	93	92
Others	3	–	9	–	–
Total	100	100	100	100	100

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

	Rs. in Lakhs									
	Increase					Decrease				
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
Effect on aggregate of interest cost and current service cost	19.05	16.16	14.98	13.84	18.76	(32.89)	(28.42)	(23.44)	(21.96)	(17.05)
Effect on defined benefit obligation	224.20	190.93	179.15	155.63	157.20	(205.69)	(175.16)	(162.87)	(141.48)	(142.91)

Principal actuarial assumptions used:

	2011	2010	2009	2008	2007
Discount rates	8.10%	8.00%	7.30%	8.20%	8.20%
Expected rate of return on plan assets	7.50%	7.50%	7.50%	8.00%	8.00%
Expected salary increase rates	4% and 5% based on employee category				
Medical inflation rate	8.00%	8.00%	8.00%	8.00%	8.00%
Mortality rates	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. 373.76 Lakhs** (2010 Rs. (571.66) Lakhs, 2009 Rs. (328.57) Lakhs, 2008 Rs. (142.68) Lakhs, 2007 Rs. (992.26) Lakhs) and on Plan Assets **Rs. 46.13 Lakhs** (2010 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 31 March 2012 is not readily ascertainable.

Schedule 21 (Continued)

28 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 31 March 2011 are:

	No. of contracts	US\$ in Lakhs	AU\$ in Lakhs	Rupee Equivalent in Lakhs
	59.00	50.00	110.00	7240.02
	(30.00)	(30.00)	(140.60)	(7081.44)

b) The outstanding currency options for sale of foreign currency as at 31 March 2011 are:

	No. of contracts	US\$ in Lakhs	AU\$ in Lakhs	Rupee Equivalent in Lakhs
	12.00	155.25	–	6419.25
	(16.00)	(314.25)	–	(12925.44)

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

	US\$ equivalent in Lakhs	Rs. in Lakhs
Amounts receivable in foreign currency	14.93	664.72
	–	–
Amounts payable in foreign currency	1.71	76.31
	(2.30)	(103.41)

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

For N M Raiji & Co

Firm Registration No.: 108296W
Chartered Accountants

J M Gandhi

Partner
Membership No: 37924

Mumbai, 24 May 2011

For Lovelock & Lewes

Firm Registration No.: 301056E
Chartered Accountants

Partha Mitra

Partner
Membership No: 50553

Financial statements and notes

Cash Flow Statement

For the year ended 31 March 2011

	2011	2010	Rs. in Lakhs
A Cash flow from operating activities			
Net Profit before Tax	23037.71		49543.22
Adjusted for:			
Depreciation	1235.58	1232.41	
Investment Income	(10287.91)	(12100.00)	
Unrealised exchange loss/(gain)	47.47	(158.43)	
Interest Expense	3896.92	5634.40	
Interest Income	(978.82)	(1128.38)	
Profit on sale of current Investments (net)	(0.33)	(23.01)	
Provision for Doubtful Debts and Advances	9.29	5.77	
Liabilities no longer required written back	(467.96)	(365.01)	
Debts and advances written off	1.36	38.09	
Provision for Doubtful Debts/Advances no longer required written back	(1.32)	(20.85)	
Loss on sale/discard of Fixed Assets (net)	161.00	262.98	
Employee Separation Scheme	2110.56	759.53	
Payout on Employee Separation Scheme	(813.10)	-	
Profit on sale of long-term trade Investments	(4440.04)	(24772.32)	
	(9527.30)		(30634.82)
Operating profit before working capital changes	13510.41		18908.40
Adjustments for:			
Trade and other receivables	(562.53)	(1256.88)	
Inventories	(5177.35)	(8703.50)	
Trade payables	602.46	3008.63	
	(5137.42)		(6951.75)
Cash generated from operations	8372.99		11956.65
Direct Taxes paid (net)	(6759.26)	(8645.41)	
	(6759.26)		(8645.41)
Net Cash from/(used in) operating activities	1613.73		3311.24
B Cash flow from investing activities			
Proceeds received from Amalgamated Plantation Pvt. Ltd.	-	14123.00	
Purchase of Fixed Assets	(1868.93)	(2245.70)	
Sale of Fixed Assets	12.89	9.59	
Purchase of Long-Term Investments	(7559.23)	(5000.50)	
Sale of Long-Term Investments	4686.76	36586.89	
Investment in Joint Venture	(252.50)	-	
Investments in Subsidiaries	-	(2684.42)	
Redemption of investments in Subsidiaries	2209.03	-	
Sale of Current Investments (net)	7170.52	(11962.11)	
Investment Income – Dividend	9193.99	10610.41	
Investment Income – Interest	1333.62	1147.81	
Interest received	1058.99	1386.48	
Inter-Corporate Deposits and Loans Placed	(5000.00)	(6500.00)	
Inter-Corporate Deposits and Loans Redeemed	6000.00	1600.00	
Net Cash from/(used in) investing activities	16985.14		37071.45

	2011	2010
C Cash Flow from financing activities		
Debt Issue Expenses	(13.99)	-
Issuance of 3% Non-Convertible, privately placed, Debentures	32500.00	-
Redemption of 9.4% Non-Convertible, privately placed, Debentures	(32500.00)	-
Redemption of Commercial Papers	-	(15000.00)
Repayment of Long-Term Borrowings	(321.43)	(15642.86)
Working Capital Facilities (net)	969.63	4967.27
Dividend paid	(12330.74)	(10777.01)
Dividend Tax paid	(1920.44)	(1729.72)
Interest paid	(4825.52)	(6221.53)
Net Cash from/(used in) financing activities	(18442.49)	(44403.85)
Net increase/(decrease) in Cash and Cash Equivalents	156.38	(4021.16)
D Cash and cash equivalents		
Opening Balance	536.04	4564.95
Effect of exchange rate changes	(5.20)	(7.75)
Closing Balance	687.22	536.04

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.
- 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

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
V Leeladhar
U M Rao
Ranjana Kumar
Directors

P T Siganporia
Managing Director

V Madan
Vice-President and
Secretary

Mumbai, 24 May 2011

Financial statements and notes

Balance Sheet Abstract

and Company's General Business Profile

I Registration details

Registration No.	31425	State code	21
Balance Sheet Date	31.03.2011		

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	31052416	Total assets	31052416
-------------------	----------	--------------	----------

Sources of funds

Paid up capital	618399	Share warrants	Nil
Reserves and surplus	19946127	Secured loans	5054683
Unsecured loans	-		

Application of funds

Net Fixed Assets	1150483	Investments	22909071
Net Current Assets	1471680	Miscellaneous expenditure	Nil
Accumulated Losses	Nil	Deferred taxation	87975

IV Performance of Company (amount in Rs. thousands)

Turnover (Total income)	19142935	Total expenditure	16839164
Profit/(loss) before tax	2303771	Profit/(loss) after tax	1805851
Earnings per share (in Rs.)	2.92	Dividend rate	200%

V Generic names of two principal products/services of the Company

Item code No. (ITC Code)	0902...
Product description	TEA, WHETHER OR NOT FLAVOURED
Item code No. (ITC Code)	21012010
Product description	INSTANT TEA

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Secretary

Financial statements and notes

Statement of area, crop and yield

	Estate	Address	Hectarage	Crop Kgs	Yield/Bearing Hect (kgs)
TEA	KERALA				
	Periakannal	PO Munnar Dist Idukki Kerala 685 612	340.13	935214	2750
	Pullivasal	PO Munnar Dist Idukki Kerala 685 612	424.76	1043983	2458
Total			764.89	1979197	2588

Consolidated Financial Statements

Financial statements and notes

Auditors' Report

on the Consolidated Financial Statements of Tata Global Beverages Limited (Formerly Tata Tea Limited)

The Board of Directors of Tata Global Beverages Limited

1. We have audited the attached Consolidated Balance Sheet of Tata Global Beverages Limited (the "Company") and its subsidiaries, its jointly controlled entities and associate companies, hereinafter referred to as the "Group" (refer Note 1b on Schedule 24 to the attached consolidated financial statements) as at 31 March 2011, 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 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. We did not audit the financial statements of (i) the jointly controlled entity, certain subsidiaries and jointly controlled entities of certain subsidiaries included in the consolidated financial statements, which constitute total assets of Rs. 655,534.20 Lakhs and net assets of Rs. 549,869.67 Lakhs as at 31 March 2011, total revenue of Rs. 434,934.56 Lakhs, net profit of Rs. 44,998.47 Lakhs and net cash outflows amounting to Rs.100,680.89 Lakhs for the year then ended and (ii) certain associate companies which constitute net profit of Rs. 2,024.64 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 auditors on separate financial statements and on the other financial information of the components 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 2011;
 - 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 Rajji & Co

Firm Registration No: 108296W
Chartered Accountants

J M Gandhi

Partner
Membership Number : 37924
Mumbai, 24 May 2011

For Lovelock & Lewes

Firm Registration No: 301056E
Chartered Accountants

Partha Mitra

Partner
Membership Number : 50553
Mumbai, 24 May 2011

Financial statements and notes

Consolidated Balance Sheet

as at 31 March 2011

	Schedule	2011	2010	Rs. in Lakhs
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1	6174.17	6164.17	
Reserves and Surplus	2	389538.23	366159.45	
		395712.40		372323.62
Minority Interest		110807.88		105713.68
Loan Funds				
Secured Loans	3	103433.56	174162.05	
Unsecured Loans	4	715.76	5516.43	
		104149.32		179678.48
Deferred Tax Liability (Net)	14	6369.52	7474.87	
Total		617039.12		665190.65
APPLICATIONS OF FUNDS				
Fixed Assets				
Gross Block	5	460060.34	439903.35	
Less: Depreciation		84172.62	75199.71	
Net Block		375887.72	364703.64	
Add: Capital Work-in-progress		3885.93	4736.12	369439.76
Investments	6	58650.65		51911.32
Current Assets, Loans and Advances				
Inventories	7	106965.30	92165.18	
Sundry Debtors	8	57326.23	51972.14	
Cash and Bank Balances	9	99731.09	190382.99	
Other Current Assets	10	1519.77	2202.88	
Loans and Advances	11	72105.87	63084.83	
		337648.26		399808.02
Less: Current Liabilities and Provisions				
Liabilities	12	138576.43	133057.57	
Provisions	13	20457.01	22910.88	
		159033.44		155968.45
Net Current Assets		178614.82		243839.57
Total		617039.12		665190.65

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

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Partner
Membership No: 37924

For Lovelock & Lewes

Firm Registration No.: 301056E
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Secretary

Financial statements and notes

Consolidated Profit and Loss Account

for the year ended 31 March 2011

	Schedule	2011	2010	Rs. in Lakhs
INCOME				
Sales and Services – Net	15	598242.24	578295.04	
Other Income	16	2211.99	3797.55	
Investment Income	17	2947.31	3406.47	
		603401.54		585499.06
EXPENDITURE				
Purchases	18	28207.30	27597.34	
Raw Materials Consumed	19	230500.43	207068.52	
Expenses	20	287530.10	278966.68	
Depreciation and Amortisation		10196.75	10567.93	
Less: Amount drawn from Revaluation Reserve		(252.29)	(275.60)	
Accretion to Stock	21	(6587.39)	(3704.02)	
		549594.90		520220.85
		53806.64		65278.21
Interest (net of interest income Rs. 6663.33 Lakhs (Rs. 12114.85 Lakhs))		(5306.96)		(2793.01)
Exceptional Income	22	951.12		1613.08
Profit before Taxation		49450.80		64098.28
Provision for Taxation	23	20246.41		24767.55
Profit after Taxation before share of results of Associates and Minority Interests		29204.39		39330.73
Share of net profit in Associates		2024.64		3303.84
Minority Interests		(5796.31)		(3604.44)
Net Profit		25432.72		39030.13
Balance Bought forward		253318.52		235854.02
		278751.24		274884.15
Appropriations				
Dividend:				
– Final		12367.97		12367.97
– Tax on Dividend		2104.15		2195.05
		14472.12		14563.02
Transfer to General Reserve		2673.38		4519.32
Transfer from Debenture Redemption Reserve		8125.00		–
Transfer to Debenture Redemption Reserve		7432.20		2483.29
Balance Carried Forward		262298.54		253318.52
Basic and Diluted Earnings per share (Rs.)		4.11		6.31
(Nominal Value Re. 1 each (Rs. 10) – Refer Schedule 24, Note 7)				

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

For Lovelock & Lewes
Firm Registration No.: 301056E
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Financial statements and notes

Schedules

Forming part of the Consolidated Balance Sheet

Schedule 1

	Rs. in Lakhs	
	2011	2010
SHARE CAPITAL		
Authorised		
750,000,000 (75,000,000) Equity Shares of Re.1 each (Rs. 10 each)	7500.00	7500.00
Issued, Subscribed and Paid-up (*)		
618,398,570 (61,839,857) Equity Shares of Re. 1 each (Rs. 10 each), fully paid-up	6183.99	6183.99
Less: Held by a Subsidiary Company	(9.82)	(19.82)
Of the above		
a) 72,380,730 (7,238,073) Shares have been allotted as fully paid pursuant to a contract without payment being received in cash		
b) 331,806,740 (33,180,674) Shares have been allotted as fully paid Bonus Shares by capitalisation of General Reserve and Securities Premium Account		
	6174.17	6164.17

* With effect from record date 2 July 2010 the face value of the Company's shares have been subdivided from Rs. 10 per share to Re. 1 per share.

Schedule 2

	2010	Additions	Deductions	2011	2010
RESERVES AND SURPLUS					
Capital Reserve	8.67	-	-	8.67	8.67
Capital Subsidy Reserve	30.10	-	-	30.10	30.10
Capital Redemption Reserve	10.41	-	-	10.41	10.41
Revaluation Reserve	4720.63	-	252.29	4468.34	4720.63
Contingency Reserve	100.00	-	-	100.00	100.00
Debenture Redemption Reserve	11236.23	7432.20	8125.00	10543.43	11236.23
Securities Premium Account (**)	66472.48	-	6359.54	60112.94	66472.48
Exchange Fluctuation Reserve	(51899.31)	17474.68	-	(34424.63)	(51899.31)
Hedging Reserve	(3028.55)	861.42	-	(2167.13)	(3028.55)
General Reserve	84357.74	3367.29	-	87725.03	84357.74
Amalgamation Reserve	832.53	-	-	832.53	832.53
	112840.93	29135.59	14736.83	127239.69	112840.93
Profit and Loss Account				262298.54	253318.52
				389538.23	366159.45

** Deduction relates to expenditure of Rs. 13.99 Lakhs incurred during the year in connection with issue of 3% Debentures and premium payable on redemption of the said debentures amounting to Rs. 6345.55 Lakhs.

Schedule 3

	Rs. in Lakhs	
	2011	2010
SECURED LOANS		
3250, 9.40% Non-Convertible, privately placed, Debentures of Rs. 10 Lakhs each	–	32500.00
The debentures were 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.		
3250, 3% Non-Convertible, privately placed, Debentures of Rs 10 Lakhs each	32500.00	–
Redeemable at a premium of Rs. 1,95,247 per Debenture on 4.11.2013, at the end of 3 years from the date of allotment 4.11.2010. The debentures issued by the Holding Company 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.		
7% Secured Redeemable Non-Convertible Debentures	1790.28	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. Accordingly, the first instalment has been redeemed during the year.		
From Banks		
Term Loan	2078.30	1350.50
Secured by way of mortgage of certain immovable and movable properties of an overseas subsidiary.		
Working Capital Facilities	29137.29	23230.56
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	37927.69	114395.57
Debts are secured over assets of certain overseas subsidiaries.		
	103433.56	174162.05

Schedule 4

UNSECURED LOANS		
Short-Term Loans		
From Banks	500.00	5000.00
Other than Short-Term		
From Bank	215.76	516.43
	715.76	5516.43

Financial statements and notes

Schedules (Continued)

Forming part of the Consolidated Balance Sheet

Schedule 5

	Rs. in Lakhs							
	Cost			As at 31 March 2011	Depreciation		Net Book Value	
	As at 1 April 2010	Additions/ Adjustments	Deductions/ Adjustments		For the year	To date	As at 31 March 2011	As at 31 March 2010
FIXED ASSETS								
Tangible								
Land (including Development Tea/Coffee Estate Land/Fuel Area (including Development)	6189.32	23.03	–	6212.35*	18.17	64.75	6147.60	6143.18
Buildings	15250.61	–	–	755.60	–	–	755.60	755.60
Bridges	16.43	–	–	16.43	–	2.44	13.99	13.99
Plant and Machinery	86613.02	6424.42	2268.26	90769.18	6429.70	61780.95	28988.23	30192.19
Furniture, Fixtures and Office Equipment	11264.01	2971.87	–	14235.88	1585.16	9279.41	4956.47	3712.97
Motor Vehicles	2207.86	479.35	279.07	2408.14	235.88	1206.21	1201.93	1099.91
Intangible								
Goodwill on Consolidation	294760.34	11466.74 [^]	–	306227.08	566.55 [§]	2421.63	303805.45	292884.18
Intangibles	21773.15	–	78.46	21694.69	728.71	3329.40 [@]	18365.29	19139.79
Capitalised Software	773.01	98.28	–	871.29	67.92	746.82 ⁺	124.47	94.71
Non-Compete Fee	300.00	–	–	300.00	30.01	115.00 ^{&}	185.00	215.00
Total	439903.35	22782.78	2625.79	460060.34^(β)	10196.75	84172.62	375887.72	364703.64
Previous Year	446890.11	25779.67	32766.43	439903.35	10567.93	75199.71	364703.64	
Capital Work-in-Progress (including capital advances)							3885.93	
Previous year							4736.12 ^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 **Rs. Nil** (Rs. 85.85 Lakhs)
- ([^]) Goodwill addition is on account of increase of holding by the Group in Joekels Tea Packers (Proprietary) Ltd. and Southern Tea LLC, amounting to Rs. 1655.25 Lakhs.
- (⁺) The accumulated amortisation as at the beginning of the year was **Rs. 678.30 lakhs** (Rs 523.70 Lakhs), unexpired period of amortisation is 36 months for Rs. 25.20 Lakhs, 56 months for Rs. 79.31 Lakhs, 59 months for Rs. 10.12 Lakhs, 12 months for Rs. 9.27 Lakhs and 12 months for Rs. 0.56 Lakhs.
- ([§]) Represents impairment of goodwill on account of amortisation of certain intangible assets included as goodwill under India GAAP by an overseas subsidiary.
- ([@]) The accumulated amortisation as at the beginning of the year was **Rs. 2633.36 Lakhs** (Rs. 2163.80 Lakhs). Unexpired period of amortisation for certain intangibles is 244 months.
- ([&]) The accumulated amortisation as at the beginning of the year was **Rs. 85 Lakhs** (Rs. 55.00 Lakhs). Unexpired period of amortisation is 74 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.
- Capital Work-in-Progress is net of **Rs. Nil** (Rs. 45.23 Lakhs), received as subsidy from government, by a foreign subsidiary.
- (^β) includes the impact of Foreign Exchange Translation Impact.
- In an overseas subsidiary, effective from this year, regions or countries within these regions having independent cash flows have been designated as Income Generating Units for the purpose of impairment testing, in view of above change in the management structure with focus on regional responsibilities in alignment with the strategy of exploiting beverage potential across geographies. The internal reporting structure has also been changed to reflect the regional responsibilities, and the performance is also analysed region wise, for management purposes.

Schedule 6

				Rs. in Lakhs	
Class	Face value of each	Nos.	2011	2010	
INVESTMENTS					
Long-Term (fully Paid)					
Trade					
Quoted Equity Shares					
Others					
Tata Chemicals Ltd. (Note 1)	Rs. 10	15545522	7346.59	7346.59	
The Indian Hotels Co. Ltd.	Re. 1	1687742	271.99	271.99	
Tata Motors Ltd.	Rs. 10	23333	46.84	46.84	
Tata Investment Corporation Ltd.	Rs. 10	140000	156.19	156.19	
Tata Steel Ltd.	Rs. 10	12021	17.02	17.02	
Titan Industries Ltd.	Rs. 10	462403	295.24	295.24	
Tata Consultancy Services Ltd.	Re. 1	391200 (791200)	1.21	2.45	
Quoted 'A' Ordinary Shares					
Tata Motors Ltd.	Rs. 10	3333	10.17	10.17	
Quoted Zero Coupon Convertible Bonds					
Tata Investment Corporation Ltd. (Note 2)	Rs. 0	20000	-	-	
Quoted 6% Non-Convertible Debentures with Detachable Warrants					
The Indian Hotels Co. Ltd.	Rs. 100	140645	140.65	140.65	
Quoted 6.75% Secured Redeemable Non-Convertible Debentures					
Titan Industries Ltd.	Rs. 250	28677	71.69	71.69	
			8357.59	8358.83	
Long-Term (Fully Paid)					
Trade					
Unquoted					
Associate					
0.01% Non-Cum Redeemable Preference Shares					
Amalgamated Plantations Pvt. Ltd. (redeemable with special redemption premium)	Rs. 10	67000000	6700.00	6700.00	
Equity/Ordinary Shares					
Amalgamated Plantations Pvt. Ltd.	Rs. 10	24410000	2441.00	2441.00	
Estate Management Services (Pvt.) Ltd.*	LKR 10	15346800	1106.21	1106.21	
Others					
6% Secured Redeemable Non- Convertible Debentures					
Infiniti Retail Limited	Rs. 10	65000000 (50000000)	6500.00	5000.00	
10% Redeemable Non-Convertible Debentures					
Amalgamated Plantations Pvt. Ltd.	Rs. 10	25816200 (28271000)	2581.62	2827.10	
Others – Equity/Ordinary Shares					
Tata Sons Ltd.	Rs. 1000	1755	975.00	975.00	
Tata Capital Ltd. (Note 3)	Rs. 10	553889	83.08	-	
Tata Services Ltd.	Rs. 1000	475	4.77	4.77	

Financial statements and notes

Schedules (Continued)

Forming part of the Consolidated Balance Sheet

Schedule 6

Class	Face value of each	Nos.	Rs. in Lakhs	
			2011	2010
INVESTMENTS (Continued)				
Tata Industries Ltd.	Rs. 100	6519441 (4346294)	11582.32	5606.17
Taj Air Ltd.	Rs. 10	22200000	2303.22	420.00
The Rising Beverages Company LLC. – Class A shares	US\$	220801	4752.28	–
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
			39287.46	25338.21

(*) 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
			13.13	13.13

Unquoted in Government Securities

W.B. Estates Acquisition Compensation Bond			0.08	0.08
			0.08	0.08

Other than Trade

Long-Term (Fully Paid)

Unquoted – Others

The Annamallais Ropeways Co. Ltd.	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	(Cost Rs. 2)	Rs. 100	31	–	–
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	3	–	–
TEASERVE (The Tamil Nadu Tea Manufacturers' Service Industrial Co-operative Society Ltd.)	Equity Shares	Rs. 5000	1	0.05	0.05
Rural Electrification Corporation Ltd.	5.50% Capital Gain Bonds	Rs. 10000	– (500)	–	50.00
				52.77	102.77

Schedule 6

				Rs. in Lakhs	
Class	Face value of each	Nos.	2011	2010	
INVESTMENTS (Continued)					
Current – Unquoted (Fully Paid)					
Other than Trade – In units of Mutual Funds/Money Market Funds					
SBI Mutual Fund	Units of SBI Premier Fund	Rs. 10	1994767	200.13	–
	SBI Premier Plan – Super IP – DDR				
Tata Mutual Fund	Units of Tata Liquid Plus Fund	Rs. 1115	216086	2408.32	–
	Tata Liquid Fund SHIP – DDR				
UTI Mutual Fund	Units of UTI Floating Rate Fund	Rs. 1019	19624	200.06	–
UTI Mutual Fund	UTI Liquid Fund Cash Plan – Institutional – DDR	Rs. 1001	220472	2206.42	–
HSBC Ultra Short-Term Fund	Weekly Dividend	Rs. 10	631909	69.28	198.29
			(1037832)		
Kotak Mutual Fund	Units of Kotak Liquid Plus Fund Floater	Rs. 10	–	–	1875.54
	Long Term – Dividend Scheme		(18606883)		
UTI Mutual Fund	Units of UTI Liquid Plus Fund	Rs. 1000	–	–	1626.71
			(162636)		
Birla Mutual Fund	Units of Birla Liquid Fund Cash Manager – Dividend Scheme	Rs. 10	–	–	500.00
			(4998500)		
Birla Mutual Fund	Units of Birla Liquid Plus Fund Saving Fund – Institutional – Dividend Scheme	Rs. 10	–	–	1928.92
			(19276130)		
Fortis Mutual Fund	Units of Fortis Liquid Plus Fund – Formerly Plus Institutional Fund, Dividend Scheme	Rs. 10	–	–	352.52
			(3524073)		
IDFC Mutual Fund	Money Manager Treasury Plan – C – Dividend Scheme	Rs. 10	–	–	2254.60
			(22542589)		
	Cash Management Savings Plan – Dividend Scheme				
HDFC Mutual Fund	Cash Management Savings Plan – Dividend Scheme	Rs. 10	–	–	2380.18
			(23727066)		
DSP BlackRock Mutual Fund	Units of DSP BlackRock Liquid Plus Fund Floating Rate – Institutional – Dividend Scheme	Rs. 1000	–	–	1266.65
			(126596)		
ICICI Prudential Interval Fund II		Rs. 10	–	–	500.00
			(5000000)		
ICICI Prudential Flexible Income Plan		Rs. 10	–	–	201.37
			(117782)		
Kotak Quarterly Interval Plan – Series 8 Growth		Rs. 10	–	–	700.65
			(6434020)		
UTI Fixed Income Interval Fund – Monthly Interval Plan		Rs. 10	–	–	500.00
			(4157658)		
TFLG – Tata Floater Fund Growth		Rs. 10	2487487	358.21	–
				5442.42	14285.43
				53153.45	48098.45
Net appreciation in investments in associates under equity method (Note 5)				5497.20	3812.87
				58650.65	51911.32

Financial statements and notes

Schedules (Continued)

Forming part of the Consolidated Balance Sheet

Schedule 6

	Face value of each	Nos.	2011	2010
Rs. in Lakhs				
INVESTMENTS (Continued)				
Total of Investments				
Quoted			8370.72	8371.96
Unquoted			39340.31	25441.06
Unquoted current investments – in units of mutual funds			5442.42	14285.43
Aggregate Amount			53153.45	48098.45
Market value of quoted investments			77636.55	68425.79
Net asset value of current investments			5442.42	14288.27
Aggregate Amount			83078.97	82714.06

Notes:

- 15385522 shares of Tata Chemical Limited are pledged against outstanding 3% Non-Convertible privately placed 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 holder, at his option, to purchase one Ordinary share at a price of Rs. 400 per share during the month of April 2011.
- Based on the Company's holding in Tata Sons Limited of 1755 equity shares, the Company was offered 553889 Equity shares of Rs. 10 each at a premium of Rs. 5 per share in Tata Capital Limited.
- Cost of investments in The Rising Beverages Company LLC includes Goodwill amounting to Rs. 3638 Lakhs and cost of investment in Amalgamated Plantations Private Limited includes capital reserve of Rs. 1559.78 Lakhs.
- Includes the following adjustments on account of Associate Companies.

	2011	2010
Pre-acquisition share of profit/(loss)	(152.25)	(152.25)
Post-acquisition profit	4661.87	1358.03
Current year profit	2024.64	3303.84
Dividend received	(1037.06)	(696.75)
	5497.20	3812.87

Schedule 7

	Rs. in Lakhs	
	2011	2010
INVENTORIES		
Stores, Spare Parts and Packing Materials	6483.16	5709.13
Raw Materials	59697.90	52259.20
Finished Goods	40373.62	33958.31
Work-in-Progress	410.62	238.54
	106965.30	92165.18

Schedule 8

SUNDRY DEBTORS

(Unsecured unless otherwise stated)

Debts outstanding for a period exceeding six months (includes secured debts of

Rs. Nil (Rs. 2.99 Lakhs))

1313.99

1409.59

Other Debts (includes secured debts of Rs. 1017.40 Lakhs (Rs. 1511.21 Lakhs))

57551.95

51821.15

58865.94

53230.74

Less: Provision for Doubtful Debts

1539.71

1258.60

57326.23

51972.14

Note:

Debts considered good

57326.23

51972.14

Debts considered doubtful

1539.71

1258.60

58865.94

53230.74

Schedule 9

CASH AND BANK BALANCES

Cash, Cheques in hand and Remittance in transit

78.53

79.26

With Banks on:

Current Account

8142.29

14751.84

Deposit Accounts

91510.27

17551.89

99652.56

190303.73

99731.09

190382.99

Schedule 10

OTHER CURRENT ASSETS

Interest accrued

1459.77

2142.88

Receivable from Amalgamated Plantations Pvt. Ltd.

60.00

60.00

1519.77

2202.88

Financial statements and notes

Schedules (Continued)

Forming part of the Consolidated Balance Sheet

Schedule 11

			Rs. in Lakhs	
	2011		2010	
LOANS AND ADVANCES				
(Unsecured and considered good unless otherwise stated)				
Loans/Intercompany Loans	48556.09		39990.21	
(including secured loans amounting to Rs. 29934.26 Lakhs (Rs. 29820.70 Lakhs))				
Advances recoverable in cash or in kind or for value to be received				
Considered good	16214.22		14934.10	
Considered doubtful	141.67		153.17	
	16355.89		15087.27	
Less: Provision for doubtful advances	141.67		153.17	
	16214.22		14934.10	
Deposits				
Considered good	3495.54		4647.94	
Considered doubtful	76.22		70.91	
	3571.76		4718.85	
Less: Provision for doubtful deposits	76.22		70.91	
	3495.54		4647.94	
MAT Credit Entitlement	681.17		466.85	
Balance in Escrow Account	2987.68		2780.57	
Balances with Excise Authorities, Port Trust etc.	171.17		265.16	
	72105.87		63084.83	

Note:

Deposits include: **Rs. 1605.67** Lakhs (Rs. 2157.10 Lakhs) deposited with NABARD in the Tea/Coffee Development Account under Section 33AB of the Income tax Act, 1961.

Schedule 12

LIABILITIES

Sundry Creditors	98790.49		94933.60	
Interest accrued but not due	479.44		1721.94	
Pension Liabilities*	4859.66		8457.13	
Other Liabilities	34446.84		27944.90	
	138576.43		133057.57	

Note: (*) includes estimated pension liability for an overseas subsidiary payable over eight years.

Schedule 13

PROVISIONS

Taxation less advance payments	6169.73		8488.74	
Proposed Dividend	12367.97		12367.97	
Tax on Dividend	1919.31		2054.17	
	20457.01		22910.88	

Schedule 14

DEFERRED TAXATION

Deferred Tax Liability	13430.99		12833.58	
Deferred Tax Asset	(7061.47)		(5358.71)	
	6369.52		7474.87	

Financial statements and notes

Schedules (Continued)

Forming part of the Consolidated Profit and Loss Account

Schedule 15

	2011	2010	Rs. in Lakhs
SALES AND SERVICES			
Tea	447665.74		438180.24
Coffee	142325.88		129933.75
Pepper	1851.40		1849.64
Cardamom	203.31		284.79
Spices and Others	768.68		2909.08
Timber (Net)	187.41		140.25
Veneer/Plywood	784.47		725.04
Trading Sales	2436.26		2122.65
Mineral Water	1815.67		1907.59
Services Rendered	355.15		334.33
	598393.97		578387.36
Less: Excise Duty	(151.73)		(92.32)
	598242.24		578295.04

Schedule 16

OTHER OPERATING INCOME			
Miscellaneous Receipts	1554.13		1433.63
Liabilities no longer required written back	565.28		2262.15
Provision for debts and advances written back*	35.24		-
Rent Received	57.34		101.77
	2211.99		3797.55

* Net of debts and advances written off **Rs. 1.37 Lakhs** (Rs. Nil)

Schedule 17

INVESTMENT INCOME			
Income from long-term investments			
Interest	670.79		1040.99
Dividend	1890.45		1831.00
Dividend from current investments	342.37		510.10
Profit on sale of current investments (net)	43.70		24.38
	2947.31		3406.47

Schedule 18

PURCHASES			
Tea	25957.84		25508.69
Trading Goods	2249.46		2088.65
	28207.30		27597.34

Financial statements and notes

Schedules (Continued)

Forming part of the Consolidated Profit and Loss Account

Schedule 19

	Rs. in Lakhs	
	2011	2010
RAW MATERIALS (Consumed)		
Opening Stock	52259.20	37953.26
Add: Purchases	237939.13	221374.46
	290198.33	259327.72
Less: Closing Stock	59697.90	52259.20
	230500.43	207068.52

Schedule 20

	Rs. in Lakhs	
	2011	2010
EXPENSES		
Salaries, Wages and Bonus*	54445.43	55023.36
Contribution to Provident Fund and other Funds	4361.06	4057.49
Workmen and Staff Welfare Expenses	2144.79	2052.91
Cultivation, Plucking and Manufacturing Expenses	7998.90	6733.23
Consumption of Packing Materials	40636.75	39791.13
Consumption of Stores and Spare Parts	2304.45	2149.39
Power and Fuel	7084.09	5862.73
Repairs to Plant and Machinery	2105.46	2261.48
Repairs to Buildings	1244.11	1064.74
General Repairs	1249.83	1542.02
Rent	4664.38	4724.25
Rates and Taxes	1321.36	1610.92
Advertisement and Sale Charges	101269.12	98547.27
Commission on Sales	10591.84	8515.82
Brokerage and Discount	28.45	27.31
Freight	16626.62	15249.41
Insurance	2270.07	2147.44
Miscellaneous Expenses**	26759.17	27191.22
Provision for Doubtful Debts and Advances	296.94	114.21
Loss on Sale of Fixed Assets	127.28	283.11
Debts and Advances written off ***	-	17.24
	287530.10	278966.68

* Excludes Rs. 437.87 Lakhs (Rs. 535.21 Lakhs) debited to other expenditure heads and includes net credit of Rs. 339.19 Lakhs (Rs. 345.27 Lakhs) relating to earlier years of the Holding Company.

** Includes Exchange Loss Rs. 1034.30 Lakhs (Rs. 846.71 Lakhs).

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

Schedule 21

	Rs. in Lakhs	
	2011	2010
(ACCRETION)/DECRETION TO STOCK/WORK-IN-PROGRESS		
Stock as at 1 April		
Tea	22025.12	17366.33
Coffee	11045.59	11919.57
Pepper	466.92	573.30
Cardamom	1.98	24.97
Spices and 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
	34196.85	30492.83
Stock as at 31 March		
Tea	24579.03	22025.12
Coffee	15152.84	11045.59
Pepper	27.15	466.92
Cardamom	0.02	1.98
Spices and Others	322.72	13.15
Veneer/Plywood	30.75	16.95
Trading Stock	204.58	263.09
Mineral Water	56.53	125.51
Work-in-Progress	410.62	238.54
	40784.24	34196.85
	(6587.39)	(3704.02)

Schedule 22

EXCEPTIONAL INCOME/(EXPENDITURE)

Income

Actuarial gain on defined benefit schemes for overseas subsidiary	3744.22	-
Profit on sale of Long-Term Investments	4440.04	18604.52
	8184.26	18604.52

Expenditure

Re-organisation costs	(4694.76)	(2012.06)
Exchange Loss	(427.82)	(10217.65)
Employee Separation Scheme	(2110.56)	(759.53)
Actuarial loss on defined benefit schemes for overseas subsidiary	-	(4002.20)
	(7233.14)	(16991.44)
	951.12	1613.08

Schedule 23

PROVISION FOR TAXATION

Income Tax*	21061.07	24371.34
Deferred Tax	(829.66)	381.21
Wealth Tax	15.00	15.00
	20246.41	24767.55

* Net of reversal of provisions relating to earlier year of the Holding Company Rs. 368.87 Lakhs (Rs. 166 Lakhs).

Financial statements and notes

Schedules (Continued)

Consolidated Notes on Accounts

Schedule 24

1 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Consolidation

The consolidated financial statements comprises of the financial statements of Tata Global Beverages Limited (the Holding Company), its Subsidiaries, Associates and Joint Ventures. 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 unrealised profits or losses thereon have been fully eliminated.
- The financial statements of the subsidiaries used in 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 recognised as goodwill/capital reserve. Goodwill disclosed under fixed assets is not amortised but is, however, tested for impairment.

ii) Investment in Associates

- Investment 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 recognised as goodwill/capital reserve. Goodwill included within Investments is not amortised but is, however, tested for impairment.

iii) Investment in Joint Ventures

- Joint Venture of Holding Company as well as subsidiaries have been accounted for in the 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.

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

Company Name	Formerly known as	Country of Incorporation	Voting power held as at 31.03.2011	Effective voting power held as at 31.03.2011 by the Holding Company
A) Subsidiaries				
Tata Global Beverages Group Ltd. (48.73% through subsidiaries)	Tata Tea GB Ltd.	UK	78.79%	78.79%
Subsidiaries of Tata Global Beverages Group Ltd.				
Tata Global Beverages Holdings Ltd.	Tetley Group Holdings Ltd.	UK	100.00%	78.79%
Tata Global Beverages Services Ltd.	The Tetley Group Ltd.	UK	100.00%	78.79%
Tata Global Beverages GB Ltd.	Tetley GB Ltd.	UK	100.00%	78.79%
Tata Global Beverages Overseas Holdings Ltd.	Tetley Overseas Holdings Ltd.	UK	100.00%	78.79%
Tata Global Beverages Overseas Ltd.	Tetley Overseas Ltd.	UK	100.00%	78.79%
Lyons Tetley Ltd.		UK	100.00%	78.79%
Tata Global Beverages US Holdings Inc.	Tetley US Holdings Inc.	USA	100.00%	78.79%
Tetley USA Inc.		USA	100.00%	78.79%
Tata Global Beverages Canada Inc.	Tetley Canada Inc.	Canada	100.00%	78.79%
Tata Global Beverages Australia Pty Ltd.	Tetley Australia Pty. Ltd.	Australia	100.00%	78.79%
Stansand Ltd.		UK	100.00%	78.79%
Stansand (Brokers) Ltd.		UK	100.00%	78.79%
Stansand (Africa) Ltd.		Kenya	100.00%	78.79%
Stansand (Central Africa) Ltd.		Malawi	100.00%	78.79%
Tata Global Beverages Polska sp.zo.o	Tetley Polska sp.zo.o	Poland	100.00%	78.79%

Schedule 24 (Continued)

Company Name	Formerly known as	Country of Incorporation	Voting power held as at 31.03.2011	Effective voting power held as at 31.03.2011 by the Holding Company
Drassington Ltd.		UK	94.90%	74.85%
Good Earth Corporation		USA	100.00%	78.79%
Good Earth Teas Inc.	F Mali Herb Inc.	USA	100.00%	78.79%
Teapigs Ltd.		UK	100.00%	78.79%
Tata Global Beverages Czech Republic a.s.	Jemca a.s.	Czech Republic	100.00%	78.79%
Tata Global Beverages Investments Ltd.	Tata Tea (GB) Investments Ltd.	UK	100.00%	78.79%
Campestres Holdings Ltd.		Cyprus	100.00%	78.79%
Kahutara Holdings Ltd.		Cyprus	65.00%	51.21%
Suntyco 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 Sunty LLC		Russia	100.00%	26.11%
Joekels Tea Packers (Proprietary) Ltd.		South Africa	51.00%	40.10%
Joint Ventures of Tata Global Beverages Group Ltd.				
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%
Associates of Tata Global Beverages Group Ltd.				
The Rising Beverages Company LLC		USA	31.00%	24.43%
Tata Global Beverages Capital Ltd.	Tata Tea (GB) Capital Ltd.	UK	100.00%	100.00%
Tata Coffee Ltd.		India	57.48%	57.48%
Subsidiaries of Tata Coffee Ltd.				
Alliance Coffee Ltd.		India	51.00%	29.31%
Consolidated Coffee Inc.		USA	100.00%	78.70%
Subsidiary of Consolidated Coffee Inc.				
Eight O'Clock Coffee Company		USA	100.00%	78.70%
Joint Venture of Tata Coffee Ltd.				
Tata Coffee (Uganda) Ltd.		Uganda	50.00%	28.74%
Tata Tea Extractions Inc.	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%
B) Associates				
Amalgamated Plantations Pvt. Ltd.		India		49.07%
Estate Management Services Pvt. Ltd.		Sri Lanka		49.00%
Subsidiary of Estate Management Services Pvt. Ltd.				
Watawala Plantations Ltd.		Sri Lanka		28.79%
C) Joint Ventures				
NourishCo Beverages Ltd.		India	50.00%	50.00%

ii) During the year the Holding Company has entered into a Joint Venture with PepsiCo India Holding Private Limited and formed a jointly controlled entity named NourishCo Beverages Limited, which is incorporated in India with 50% interest.

iii) One of the Holding Company's overseas subsidiaries acquired 31% stake, calculated on a fully diluted basis, in The Rising Beverages Company LLC, the owner of Activate™ a performance beverage in the USA. The subsidiary has an option to further increase its stake in this company.

Financial statements and notes

Schedules (Continued)

Consolidated Notes on Accounts

Schedule 24 (Continued)

- iv) a) In terms of a contractual arrangement, European Bank of Reconstruction and Development (EBRD) has the right to exercise a put option on certain overseas subsidiaries of the Holding Company, who will be obliged to purchase the shares held by EBRD at fair market value after six years from the subscription date. Conversely an overseas subsidiary company has the right to exercise a call on all the shares held by EBRD at the end of the stipulated eight years at fair market value. The stipulated time period of eight years may be bought forward if certain events as per the agreement are triggered.
- b) Kahutara Holdings Limited, a 65% subsidiary of Tata Global Beverages Group Ltd., 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.
- v) 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.
- vi) 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 Accounting Standard-28 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 under straight-line method over the remaining useful life of the asset, except for certain assets amounting to Rs 11451.79 Lakhs (Gross Block) of an Indian subsidiary, in respect of which depreciation is provided under written down value method (accumulated depreciation Rs. 4533.80 Lakhs). In one of the subsidiaries, the assets having value lower than Rs. 0.14 Lakhs are provided at 100% depreciation once they are put to use. The premium paid for leasehold land is amortised 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 capitalised are amortised 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 amortised on a straight-line basis over a period of ten years.

Intangible assets are amortised over their estimated useful life on a straight-line basis except in case of brands acquired by an overseas subsidiary, which have not been amortised 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 capitalised. 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 amortised 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 subsidiaries.

Schedule 24 (Continued)

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 realisable value, whichever is lower, except for an Indian subsidiary, where stores, spare parts and raw materials are valued at cost and certain minor products at realisable 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 subsidiaries current assets and liabilities covered by forward cover are stated at forward cover rates and resulting exchange differences recognised 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 recognised 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 recognised when risk, rewards and title have been transferred to the customer, as per terms of sale or on completion of auction in case of auction sale. Provision for sales returns and other allowances relating to that year's sale are recorded as an offset from sales. In case of overseas subsidiaries provisions for sales return and other allowances are recorded based on past experiences.

ii) 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.

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 recognised in the books.

The Group recognises 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.

Financial statements and notes

Schedules (Continued)

Consolidated Notes on Accounts

Schedule 24 (Continued)

- 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 recognised in the Profit and Loss Account for the Holding Company and its Indian subsidiaries. Short-Term Employee Benefits are recognised on an undiscounted basis whereas Long-Term Employee Benefits are recognised 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 recognised 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 recognised in the Profit and Loss Account.
- iv) **Other Employee Termination Benefits:** Payments to employees who have opted for Employee Separation Schemes (ESS) along with additional liabilities towards retirement benefits arising pursuant to the ESS are charged to the Profit and Loss Account in the year in which it is incurred.

o) Research and Development

Research & 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 crystallise. 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 recognised to the extent that there are deferred tax liabilities offsetting them.

q) 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 recognised 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 remeasured 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 recognised in the hedging reserve 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 the Balance Sheet date and gain or loss recognised in the Profit and Loss Account.

2 The name of the Company was changed from Tata Tea Limited to Tata Global Beverages Limited with effect from 2 July 2010. Whilst there is no change in the line of business, the change in the name signals the intent to be truly global and to focus on wider branded beverage agenda.

3 Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March 2011 aggregated **Rs. 1881.33 Lakhs** (Rs. 1882.36 Lakhs).

4 Contingent Liabilities not provided for in respect of:

- a) Bills discounted and remaining unpaid as at 31 March 2011 aggregated – **Rs. 137.36 Lakhs** (Rs. Nil).
- b) Claims under adjudication not acknowledged as debts:

	2011	2010
i) Taxes, Statutory Duties/Levies etc.	1523.52	1040.20
ii) Commercial and other Claims	953.13	592.05
iii) Income-tax/Agricultural Income-tax	Nil	20.62

Schedule 24 (Continued)

- c) Labour disputes under adjudication relating to some staff – amount not ascertainable for Holding Company and **Rs. 302.61 Lakhs** (Rs. 283.59 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 and are centrally managed by the central treasury team of the overseas subsidiary. 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.
- e) Guarantee given to the lender of a subsidiary **Rs. 5950.54 Lakhs** (Rs. 5990.57 Lakhs).
- 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. 34.94 Lakhs).

5 Research and Development Expenditure:

	Rs. in Lakhs	
	2011	2010
Capital	8.51	64.45
Revenue	807.19	817.84
Total	815.70	882.29

6 Disclosure in respect of operating leases:

	Rs. in Lakhs	
	2011	2010
Total minimum lease payments under non-cancellable operating lease	11016.81	11663.08
Within One Year	2098.25	2308.64
Later than one year and not later than five years	6112.02	5939.77
Later than five years	2806.54	3414.67
Lease payments recognised in the Profit and Loss Account	4367.63	3343.13

An overseas subsidiary has taken on lease office/factory buildings and the leases expire between 2011 and 2023. The Holding Company leasing arrangements in respect of operating leases for premises (residential, office, godown) and motorcars. These leasing arrangements which are cancellable, ranges between five months to five years and are usually renewable on mutually agreed terms.

- 7 Basic and Diluted Earnings Per Share (EPS) have been computed with reference to profit after tax of **Rs. 25432.72 Lakhs** (Rs. 39030.13 Lakhs) and the weighted average equity shares outstanding (Nominal value – Re. 1) during the year aggregating to 6183.99 Lakh shares. With effect from 2 July 2010, the face value of the Company's shares has been subdivided from Rs. 10 per share to Re. 1 per share. Earnings per share for previous year have been computed based on the revised number of shares.

8 The major components of the Deferred Tax Assets/Liabilities, based on the tax effect of the timing differences, as at 31 March 2011 are as under:

	Rs. in Lakhs	
	2011	2010
Deferred Tax Liabilities		
Depreciation	20517.02	20578.01
Others	357.34	357.35
	20874.36	20935.36
Deferred Tax Assets		
Provision for doubtful debts/advances	364.97	373.59
Other assets, employee benefits etc.	14103.49	13064.54
Carry forward agricultural income tax loss	36.38	22.36
	14504.84	13460.49

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Schedules (Continued)

Consolidated Notes on Accounts

Schedule 24 (Continued)

9 The proportionate share of the assets, liabilities, income and expenditure of the joint venture entities (refer note 1(b) above) included in these Consolidated Financial Statements are given below:

Balance Sheet as at 31 March 2011

	Rs. in Lakhs	
	2011	2010
Sources of Funds		
Shareholders' Funds – Reserves and Surplus	3307.34	3035.02
Loan Funds		
Secured Loans	1719.55	1009.99
Unsecured Loans	–	89.83
Deferred Tax Liability	–	4.49
Total	5026.89	4139.33
Applications of Funds		
Fixed Assets		
Gross Block	1308.02	1162.72
Depreciation till date	(621.11)	(712.93)
Net Block	686.91	449.79
Capital Work-in-Progress	26.75	244.62
	713.66	694.41
Deferred Tax Asset	46.34	–
Current Assets, Loans and Advances		
Inventories	4857.47	3141.00
Sundry Debtors	1520.43	1855.10
Cash and Bank balances	(378.41)	(176.11)
Other Current Assets, Loans and Advances	366.34	251.53
	6365.83	5071.52
Current Liabilities and Provisions		
Liabilities	2306.69	2101.45
Provisions	(207.75)	(474.85)
	2098.94	1626.60
Net Current assets	4266.89	3444.92
Total	5026.89	4139.33

Profit and Loss Account for the year ended 31 March 2011

	Rs. in Lakhs	
	2011	2010
Income		
Sales and Services	30687.84	33341.84
Expenses		
Purchases	8443.62	8948.61
Raw Materials Consumed	8873.29	9719.71
Expenses	11124.51	11505.18
Depreciation	122.52	170.72
Total Expenses	28563.94	30344.22
Profit before Tax and Exceptional Items	2123.90	2997.62
Exceptional Items	–	15.65
Profit before Tax	2123.90	3013.27
Provision for Taxation	(22.00)	69.08
Profit after Tax	2145.90	2944.19

Schedule 24 (Continued)

10 a) Consolidated Related Party Disclosure

Particulars of transactions during the year ended 31 March 2011

Nature of transactions	Rs. in Lakhs			Total
	Associates/ Joint Ventures	Promoter	Key Management Personnel/ Relatives	
Sale of Goods and Services	45.70	–	–	45.70
	(69.24)	–	–	(69.24)
Other Income	–	1.12	–	1.12
	–	–	–	–
Purchase of Goods and Services	20137.89	–	–	20137.89
	(22404.22)	–	(8.32)	(22412.54)
Rent Paid	38.09	21.97	–	60.06
	–	(21.96)	–	(21.96)
Other Expenses (Net)	305.36	1059.11	–	1364.47
	(134.28)	(808.68)	–	(942.96)
Deposits Given	–	25.00	–	25.00
	–	(144.00)	–	(144.00)
Directors' Remuneration	–	–	5212.87	5212.87
	–	–	(3130.61)	(3130.61)
Dividend Paid	–	3067.29	–	3067.29
	–	(2719.14)	(0.13)	(2719.27)
Investments Redeemed	245.48	–	–	245.48
	(10414.92)	–	–	(10414.92)
Investments Made	4578.82	–	–	4578.82
	(15682.02)	–	(0.25)	(15682.27)
Reimbursement of Expenses	131.51	–	–	131.51
	(92.70)	–	–	(92.70)
Dividend/Interest Received	609.54	122.85	–	732.39
	(1940.92)	(122.85)	–	(2063.77)
Balances Outstanding Debit	14.00	–	–	14.00
	(90.57)	–	–	(90.57)
Credit	158.34	471.20	–	629.54
	(1328.15)	(308.19)	(95.00)	(1731.34)

Financial statements and notes

Schedules (Continued)

Consolidated Notes on Accounts

Schedule 24 (Continued)

Related Parties

Promoter

Tata Sons Ltd.

Associates

Estate Management Services Pvt. Ltd.
Amalgamated Plantations Pvt. Ltd.

Joint Ventures

NourishCo Beverages Ltd.

Subsidiary of an Associate

Watawala Plantations Ltd.

Joint Ventures of Subsidiary

Tetley ACI (Bangladesh) Ltd.
Empirical Group LLC, USA
Southern Tea LLC, USA
Tetley Clover Pvt. Ltd., Pakistan
Tata Coffee (Uganda) Ltd.

Associate of a Subsidiary

The Rising Beverage Company LLC

Key Management Personnel

Mr P.T. Siganporia, Managing Director, Tata Global Beverages Ltd.
Mrs Sangeeta Talwar, Executive Director, Tata Global Beverages Ltd. (up to 31.07.2010)
Mr M. Deepak Kumar, Executive Director, Tata Coffee Ltd. (w.e.f. 25.10.2010)
Mr Hameed Huq, Managing Director, Tata Coffee Ltd.
Mr P.D. Unsworth, Director & CEO, Tata Global Beverages Group Ltd.
Mr J.R. Nicholas, Director, Tata Global Beverages Group Ltd.
Mr L. Krishna Kumar, Director & Group CFO, Tata Global Beverages Group Ltd.
Mr A. Bhardwaj, Director, Zhejiang Tata Tea Extraction Co. Ltd.
Mr S. Ravi, Director, CEO, Tata Tea Extractions Inc.
Mr Pradeep Poddar, Managing Director, Mount Everest Mineral Water Ltd.
Ms Abanti Sankarnarayanan, Director, Mount Everest Mineral Water Ltd. (up to 14.06.2010)
Mr Tom Corcoran, Director, Consolidated Coffee Inc.
Mr Paul Lawer, Director, Consolidated Coffee Inc. (up to 31.03.2010)
Ms Barbara Roth, Director, Consolidated Coffee Inc.

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

			Rs. in Lakhs	
			2011	2010
1.	Sale of Goods and Services	Southern Tea LLC, USA	25.85	45.60
		Tetley Clover Pvt. Ltd., Pakistan	19.29	23.64
2.	Other Income	Tata Sons Ltd.	1.12	-
3.	Purchase of Goods and Services	Amalgamated Plantations Pvt. Ltd.	19286.20	21666.07
4.	Rent Paid	Tata Sons Ltd.	21.97	21.96
		Amalgamated Plantations Pvt. Ltd.	38.09	-
5.	Other Expenses (Net)	Tata Sons Ltd.	1059.11	473.74
		Amalgamated Plantations Pvt. Ltd.	305.36	692.08
6.	Dividend Paid	Tata Sons Ltd.	3067.29	2465.26
7.	Investments Redeemed	Amalgamated Plantations Pvt. Ltd.	245.48	10414.92
8.	Investments Made	Amalgamated Plantations Pvt. Ltd.	-	15682.02
		The Rising Beverages Company LLC	4578.82	-
9.	Reimbursement of Expenses	Amalgamated Plantations Pvt. Ltd.	131.51	92.70
10.	Deposits Given	Tata Sons Ltd.	25.00	144.00
11.	Dividend and Interest Received	Amalgamated Plantations Pvt. Ltd.	562.15	1301.95
		Rallis India Ltd.	-	590.77
		Tata Sons Ltd.	122.85	122.85

Schedule 24 (Continued)

11 Consolidated Segment Reporting

a) By Business Segments:

	Rs. in Lakhs				
	Tea	Coffee and Other Produce	Others	Unallocated	Total
Sales Revenue from external customers	450815.94	142025.99	5400.31	–	598242.24
	(438454.13)	(133734.53)	(6106.38)	–	(578295.04)
Other segment revenue	1134.49	965.21	52.46	59.83	2211.99
	(2771.81)	(866.44)	(25.98)	(133.32)	(3797.55)
Total segment revenue	451950.43	142991.20	5452.77	59.83	600454.23
	(441225.94)	(134600.97)	(6132.36)	(133.32)	(582092.59)
Add: Investment Income	–	–	–	2947.31	2947.31
	–	–	–	(3406.47)	(3406.47)
Total Revenue	451950.43	142991.20	5452.77	3007.14	603401.54
	(441225.94)	(134600.97)	(6132.36)	(3539.79)	(585499.06)
Segment result	42294.55	24064.31	(1237.23)	–	65121.63
	(57390.92)	(23969.52)	((1398.94))	–	(79961.50)
Add: Investment Income	–	–	–	2947.31	2947.31
	–	–	–	(3406.47)	(3406.47)
Add: Unallocable (expenditure) net of income	–	–	–	(14262.31)	(14262.31)
	–	–	–	((18089.76))	((18089.76))
Less: Interest (net)	–	–	–	(5306.96)	(5306.96)
	–	–	–	((2793.01))	((2,793.01))
	42294.55	24064.31	(1237.23)	(16621.96)	48499.68
	(57390.92)	(23969.52)	((1398.94))	((17476.30))	(62485.20)
Exceptional Income/(Expenditure)	–	–	–	951.12	951.12
	–	–	–	(1613.08)	(1613.08)
Profit before Tax	42294.55	24064.31	(1237.23)	(15670.84)	49450.80
	(57390.92)	(23969.52)	((1398.94))	((15863.22))	(64098.28)
Provision for Taxation	–	–	–	20246.41	20246.41
	–	–	–	(24767.55)	(24767.55)
Profit after Taxation before Share of Results of Associates and Minority Interests	42294.55	24064.31	(1237.23)	(35917.25)	29204.39
	(57390.92)	(23969.52)	((1398.94))	((40630.77))	(39330.73)
Share of net Profits of Associates	–	–	–	2024.64	2024.64
	–	–	–	(3303.84)	(3303.84)
Profit after Taxation before Minority Interests	42294.55	24064.31	(1237.23)	(33892.61)	31229.03
	(57390.92)	(23969.52)	((1398.94))	((37326.93))	(42634.57)
Segment Assets	363016.52	192459.08	17792.08	–	573267.68
	(343236.62)	(187637.96)	(17845.30)	–	(548719.88)
Investments	–	–	–	58650.70	58650.70
	–	–	–	(51911.32)	(51911.32)
Unallocated Assets	–	–	–	144154.18	144154.18
	–	–	–	(220527.90)	(220527.90)
Total Assets	363016.52	192459.08	17792.08	202804.88	776072.56
	(343236.62)	(187637.96)	(17845.30)	(272439.22)	(821159.10)

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Schedules (Continued)

Consolidated Notes on Accounts

Schedule 24 (Continued)

11 Consolidated Segment Reporting (Continued)

a) By Business Segments:

					Rs. in Lakhs
	Tea	Coffee and Other Produce	Others	Unallocated	Total
Segment Liabilities	99085.08	25582.59	827.35	-	125495.02
	(98830.57)	(25835.11)	(1121.84)	-	(125787.52)
Unallocated Liabilities	-	-	-	144057.26	144057.26
	-	-	-	(217334.28)	(217334.28)
Total Liabilities	99085.08	25582.59	827.35	144057.26	269552.28
	(98830.57)	(25835.11)	(1121.84)	(217334.28)	(343121.80)
Capital Expenditure	8558.61	2380.04	266.04	-	
	(9494.32)	(1931.67)	(159.60)	-	
Depreciation and Amortisation	6193.53	3462.91	285.98	-	
	(6353.76)	(3633.74)	(304.83)	-	
Amortisation of expenditure on employee separation scheme	-	-	-	-	
	(135.62)	-	-	(623.91)	
Non-cash expenditure other than depreciation and amortisation	23.74	743.21	61.97	-	
	(1.30)	(10.96)	(97.48)	(21.71)	

b) By Geographical Segments:

					Rs in Lakhs
	India	UK	USA & Canada	Rest of the World	Total
Sales Revenue	177662.36	135779.58	165418.96	119381.34	598242.24
	(169809.22)	(138337.83)	(176852.55)	(93295.44)	(578295.04)
Segment Assets	128668.07	229269.74	166505.88	48823.99	573267.68
	(121973.94)	(214040.45)	(163805.21)	(48900.28)	(548719.88)
Purchase of Fixed Assets	3561.43	2668.53	1995.64	2979.08	11204.68
	(3141.37)	(2848.74)	(1454.36)	(4141.12)	(11585.59)

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 : Cultivation 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.

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Schedules (Continued)

Consolidated Notes on Accounts

Schedule 24 (continued)

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

	Pension				Gratuity				Medical			
	2011	2010	2009	2008	2011	2010	2009	2008	2011	2010	2009	2008
Opening defined benefit obligation	63990.73	53697.61	63736.85	71636.60	4217.93	4116.08	3405.02	5896.78	2798.31	2472.52	2060.22	1983.23
Current Service Cost	-	110.01	-	-	230.80	218.52	194.59	154.88	114.15	94.54	64.06	73.39
Interest Cost	3713.60	3753.18	3578.16	3599.47	333.62	312.80	268.85	232.13	229.18	184.49	157.77	165.04
Actuarial loss/(gain)	(3662.53)	14014.52	(5968.94)	(2882.26)	396.42	35.98	693.58	205.53	381.27	134.39	428.94	(112.49)
Past Service cost	-	-	-	-	5.19	-	-	-	-	-	-	-
Liabilities extinguished on settlements	-	-	-	(454.28)	18.47	-	-	-	-	-	-	-
Liabilities assumed on Acquisition/(settled on Divestiture) etc.	-	-	-	(429.04)	29.76	-	-	(2791.32)	-	-	-	(165.59)
Exchange Rate Variation	3308.88	(4885.59)	(5361.22)	(4909.52)	-	-	-	-	-	-	-	-
Benefit Paid	(1868.11)	(2699.00)	(2127.39)	(2824.12)	(543.37)	(465.45)	(445.96)	(292.98)	(106.04)	(87.63)	(72.88)	(48.95)
Closing defined benefit obligation	65482.57	63990.73	53697.61	63736.85	4688.82	4217.93	4116.08	3405.02	3416.87	2798.31	2472.52	2060.22

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

	Pension				Gratuity			
	2011	2010	2009	2008	2011	2010	2009	2008
Opening fair value of plan assets	51628.57	41383.12	54466.42	61158.88	4054.69	3197.45	3183.59	5727.95
Expected Return on plan assets	3875.49	3031.64	3411.31	4139.36	331.58	287.89	270.23	256.06
Actuarial gain/(loss)	(217.73)	10436.39	(11490.41)	(5464.04)	46.75	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	2115.90	3351.68	1834.27	2050.56	208.90	936.82	221.16	204.03
Assets acquired on Acquisition/(settled on Divestiture)	-	-	-	-	48.23	-	-	(2791.32)
Exchange Rate Variation	2773.13	(3700.79)	(4584.41)	(4171.57)	-	-	-	-
Benefits Paid	(1799.87)	(2650.38)	(2094.21)	(2792.49)	(543.68)	(465.45)	(445.96)	(292.98)
Closing Fair value of plan assets	58375.49	51628.58	41383.12	54466.42	4146.47	4054.69	3197.45	3183.59
Actual Return on plan assets	3657.76	13468.03	(8079.10)	(1324.68)	378.33	385.87	238.66	335.91

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

	2011				2008			
	%	2010	2009	2008	%	2009	2008	2007
Government of India Securities	1	0	0	1				
Equity	41	43	37	38				
Bonds	40	38	41	34				
Insurance managed Funds	8	9	10	14				
Property	9	9	10	12				
Others	1	1	2	1				
Total	100	100	100	100				

Financial statements and notes

Schedules (Continued)

Consolidated Notes on Accounts

Schedule 24 (continued)

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

	Rs. in Lakhs							
	Increase				Decrease			
	2011	2010	2009	2008	2011	2010	2009	2008
Effect on aggregate of interest cost and current service cost	102.37	84.44	23.90	22.87	(109.33)	(91.26)	(61.12)	(30.49)
Effect on defined benefit obligation	224.20	190.93	179.15	155.63	(205.69)	(175.16)	(162.87)	(141.48)

Principal actuarial assumptions used:

	2011	2010	2009	2008
Discount rates	8%/5.65%	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%/9.40%	7.50%/8.00%/9.35%
Expected salary increase rates	4.00%/5.00% based on employee category	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%	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	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 31 March 2012 is not readily ascertainable.

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

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

J M Gandhi
Membership No.: 37924
Partner

Mumbai, 24 May 2011

For Lovelock & Lewes
Firm Registration No.: 301056E
Chartered Accountants

Partha Mitra
Membership No.: 50553
Partner

Financial statements and notes

Consolidated Cash Flow Statement

For the year ended 31 March 2011

	2011	2010	Rs. in Lakhs
A Cash flow from operating activities			
Net Profit before Tax	49450.80		64098.28
Adjusted for:			
Depreciation and amortisation (net of withdrawals from Revaluation Reserve)	9944.46	10292.33	
Investment Income	(2903.61)	(3382.09)	
Profit on sale of current investments (net)	(43.70)	(24.38)	
Unrealised foreign exchange loss	78.83	67.66	
Interest expense	11970.29	14907.86	
Interest income	(6663.33)	(12114.85)	
Provision for doubtful debts and advances	296.94	114.21	
Liabilities no longer required written back	(565.28)	(2262.15)	
Debts and advances written off	1.37	38.09	
Provision for doubtful debts and advances no longer required written back	(36.61)	(20.85)	
Loss on sale/discard of fixed assets (net)	127.28	283.11	
Exceptional Income (net)	(951.12)	(1613.08)	
Operating Profit before working capital changes	11255.52		6285.86
Adjustments for:			
Trade and other receivables	(13984.99)	(7595.30)	
Inventories	(14767.04)	(15664.57)	
Trade payables	2351.32	8377.20	
	(26400.71)		(14882.67)
Cash generated from operations	34305.61		55501.47
Employee Separation and reorganisational costs/funding of pension	(5507.86)	(6014.26)	
Direct taxes paid	(23485.35)	(35526.40)	
	(28993.21)		(41540.66)
Net cash from operating activities	5312.40		13960.81
B Cash flow from investing activities			
Amount received from Amalgamated Plantations Private Limited	-	14123.00	
Purchase of fixed assets	(10127.13)	(8996.43)	
Sale of fixed assets	1584.54	138.64	
Purchase of long-term investments	(14278.72)	(5000.50)	
Sale of long-term investments	5859.74	37792.75	
Investments in Subsidiaries	(1498.00)	(14016.94)	
(Purchase)/sale of current investments (net)	8884.64	(13284.99)	
Investment income (Refer Note 3)	3084.02	3300.06	
Interest received	7024.30	12829.76	
Inter-corporate loans and deposits (net)	652.89	122115.14	
Net cash from investing activities	1186.28		149000.49

	2011	2010
Rs. in Lakhs		
C Cash flow from financing activities		
Redemption of Debentures	(33395.15)	(15000.00)
Proceeds from issuance of Debentures	32500.00	(2550.00)
Debenture/share issue expenses	(13.99)	-
Proceeds from long-term borrowings	20.71	1367.18
Repayment of long-term borrowings	(75063.85)	(23845.25)
Working capital facilities (net)	1377.33	(5984.90)
Dividend paid	(17032.50)	(11820.57)
Dividend tax paid	(2305.09)	(1505.29)
Interest paid	(13110.65)	(16395.83)
Net cash used in financing activities	(107023.19)	(75734.66)
Net increase/(decrease) in Cash and Cash Equivalents	(100524.51)	87226.64
D Cash and cash equivalents		
Opening Balance	190382.99	108915.08
Exchange gain/(loss) on translation of foreign currency cash/cash equivalents	9872.61	(5758.73)
Closing Balance	99731.09	190382.99

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.
- Previous year's figures have been rearranged/regrouped wherever necessary.
- Investment income includes dividend income **Rs. 1890.45 Lakhs** (Rs 2341.10 Lakhs) and interest income **Rs.1193.57 Lakhs** (Rs. 958.96 Lakhs)

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

For Lovelock & Lewes
Firm Registration No.: 301056E
Chartered Accountants

R N Tata
Chairman

F K Kavarana
A R Gandhi
V Leeladhar
U M Rao
Ranjana Kumar
Directors

P T Siganporia
Managing Director

J M Gandhi
Partner
Membership No: 37924

Partha Mitra
Partner
Membership No: 50553

R K Krishna Kumar
Vice-Chairman

V Madan
Vice-President and
Secretary

Mumbai, 24 May 2011

Financial statements and notes

Subsidiary Companies' Financial Highlights

For the year ended 31 March 2011

Companies	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Turnover	Profit before taxation	Provision for Taxation	Profit after taxation	Proposed Dividend	Items (other than subsidiaries and holding company)	Exchange rate used for conversion:	
												Average	Year end
Tata Global Beverages Group Ltd.	Pound Sterling	168518.22	18412.09	555316.89	368386.59	-	(8460.27)	2270.22	(6190.04)	-	-	70.53	71.69
Tata Global Beverages Holdings Ltd.	Pound Sterling	-	114362.99	135857.62	21494.63	-	-	-	-	-	-	70.53	71.69
Tata Global Beverages Services Ltd.	Pound Sterling	114.70	247635.57	349397.42	101647.15	19419.26	(1949.33)	(167.15)	(2116.48)	-	-	70.53	71.69
Tata Global Beverages GB Ltd.	Pound Sterling	-	120151.71	194313.35	74161.64	133622.30	20088.55	(5874.09)	14214.46	-	-	70.53	71.69
Tata Global Beverages Overseas Holdings Ltd.	Pound Sterling	-	3007.27	46254.60	43247.33	282.10	170.67	(296.91)	(126.24)	-	-	70.53	71.69
Tata Global Beverages Overseas Ltd.	Pound Sterling	-	(17.20)	4999.45	5016.66	323.01	(995.82)	254.60	(741.23)	-	-	70.53	71.69
Lyons Tettey Limited (Dormant)	Pound Sterling	14.34	-	14.34	-	-	-	-	-	-	-	70.53	71.69
Tata Global Beverages US Holdings Inc	US Dollars	9120.01	10921.01	32509.75	12468.73	-	(162.62)	-	(162.62)	-	-	45.55	44.59
Tertley USA Inc	US Dollars	60867.27	(48011.05)	15558.38	2702.16	12304.12	(243.70)	292.45	(536.15)	-	-	45.55	44.59
Tata Global Beverages Canada Inc	Canadian Dollars	691.74	3390.89	11779.82	7697.19	35056.52	1023.46	316.90	706.56	-	-	44.63	46.12
Tata Global Beverages Australia Pty Ltd.	Australian Dollars	1291.33	(2186.72)	5017.01	5912.40	11534.40	(1090.37)	324.18	(766.20)	-	-	42.72	46.12
Stansand Ltd. (Dormant)	Pound Sterling	3.58	-	3.58	-	-	-	-	-	-	-	70.53	71.69
Stansand Brokers Ltd. (Dormant)	Pound Sterling	22.72	-	22.72	-	-	-	-	-	-	-	70.53	71.69
Stansand (Africa) Ltd.	Kenyan Shilling	2.76	449.31	2783.39	2331.32	19155.82	321.53	(105.63)	215.89	147.60	-	0.59	0.55
Stansand (Central Africa) Ltd.	Malawi Kwacha	0.06	38.96	1110.99	1071.97	5381.31	38.35	(11.65)	26.70	-	-	0.30	0.30
Tata Global Beverages Polska Sp. z o.o	Polish Zloty	2995.06	(3528.85)	6627.42	7161.21	13831.05	(915.23)	(0.60)	(915.83)	-	-	15.09	15.79
Drassington Ltd.	Pound Sterling	1402.20	(1508.29)	21.51	127.60	-	-	-	-	-	-	70.53	71.69
Good Earth Corporation	US Dollars	-	(190.85)	-	190.85	68.33	(150.32)	-	(150.32)	-	-	45.55	44.59
Good Earth Teas Inc.	US Dollars	40.13	(3273.81)	2392.26	5625.93	58655.31	(3556.72)	-	(3556.72)	-	-	45.55	44.59
Teapigs Ltd.	Pound Sterling	716.87	(290.33)	892.50	465.97	1980.36	117.78	(32.44)	85.34	-	-	70.53	71.69
Tata Global Beverages Czech Republic a.s	Czech Krona	6001.84	(5074.63)	9615.47	8688.26	69.58	(1302.49)	(84.31)	(1386.81)	-	-	2.41	2.59
Tata Global Beverages Investment Ltd.	Pound Sterling	167566.93	140280.71	310258.47	2410.83	-	5854.34	(1640.43)	4213.91	-	6462.04	70.53	71.69

TATA GLOBAL BEVERAGES LIMITED

(formerly Tata Tea Limited)

Annual report and financial statements 2010/11

Companies	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Turnover	Profit before taxation	Provision for Taxation	Profit after taxation	Proposed Dividend	Investments (other than subsidiaries and holding company)	Exchange rate used for conversion:	
												Average rates for P&L items	Year end Balance Sheet items
Campestres Holdings Ltd.	US Dollars	1.34	5565.87	6949.53	1382.33	-	(82.57)	-	(82.57)	-	-	45.55	44.59
Kahutara Holdings Ltd.	US Dollars	4.46	7671.23	13938.72	6263.03	-	1084.27	(0.23)	1084.04	-	-	45.55	44.59
Suntycio Holdings Ltd.	US Dollars	30.82	7355.70	7417.65	31.13	3144.67	3283.74	(127.04)	3156.70	-	-	45.55	44.59
Onomento Co Ltd.	US Dollars	3.14	1275.70	1284.18	5.34	273.70	250.15	(25.09)	225.06	-	-	45.55	44.59
OOO Sunty LLC	Russian Roubles	3124.93	1993.28	15133.59	5722.32	36974.01	2810.41	(685.57)	2124.84	-	-	1.51	1.57
OOO Teatrade LLC	Russian Roubles	0.16	(11.66)	10015.38	5733.82	849.16	(1.59)	(8.12)	(9.72)	-	-	1.51	1.57
Joeke's Tea Packers (Proprietary) Ltd.	South African Rand	0.02	2722.91	4987.18	2264.25	16331.72	1672.45	(624.80)	1047.64	-	-	15.09	15.79
Tata Global Beverages Capital Ltd.	Pound Sterling	64236.57	908.27	74376.69	9231.85	2804.59	2388.64	(67.43)	2321.21	-	-	70.53	71.69
Tata Coffee Ltd.	Indian Rupees	1867.70	38433.48	62168.11	21866.93	42209.94	6862.18	(1353.72)	5508.46	933.85	445.30	-	-
Alliance Coffee Ltd.	Indian Rupees	5.00	84.60	93.31	3.93	382.24	273.01	(91.28)	181.73	-	69.28	-	-
Consolidated Coffee Inc. (Consolidated)	US Dollars	26709.47	1694.42	121852.70	93448.81	75640.45	11044.60	(4294.21)	6750.39	-	-	45.55	44.59
Tata Tea Extractions Inc.	US Dollars	6242.61	12184.69	22063.18	3636.33	8730.25	953.62	(223.34)	730.28	-	-	45.55	44.59
Zhejiang Tata Tea Extraction Company Ltd.	Chinese Yuan	3747.59	(970.29)	5996.69	3219.39	0.69	(486.59)	-	(486.59)	-	-	6.80	6.81
Tata Tea Holdings Private Ltd.	Indian Rupees	5.00	(2.84)	2.28	0.12	-	(0.14)	-	(0.14)	-	-	-	-
Mount Everest Mineral Water Ltd.	Indian Rupees	3399.60	1112.94	5148.73	636.19	2453.37	(1184.68)	-	(1184.68)	-	358.21	-	-

Financial statements and notes

Ten-year summary

	Rs. in Lakhs									
	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
Total Income	191429	183684	152464	126329	114611	104017	95024	83845	80684	81606
Profit before Tax	23038	49543	22906	38586	34977	23052	16215	12023	10010	8581
Tax	4979	10396	7000	7300	4320	4359	3323	2870	2950	1385
Profit after Tax	18059	39147	15906	31286	30657	18693	12892	9153	7060	7196
Dividend payout	14154@	14313@	12533@	25322@	10852@	7693@	6410@	5403@	4439@	3935
Equity Capital	6184	6184	6184	6184	5903	5622	5622	5622	5622	5622
Share Warrants	-	-	-	-	2183	-	-	-	-	-
Reserves & Surplus	199461	201600	173748	174221	148469	110505##	99275	91903\$	92241	91177#
Shareholders' Funds	205645	207784	179932	180405	156555	116127	104897	97525	97863	96799
Borrowings	50547	49966	75500	75751	79700	24136	19137	19736	22539	21424
Capital Employed	256192	257750	255432	256156	236255	140263	124035	117261	120401	118222
Net Block	11505	11136	10396	9810	24658	25031	30269	31288	33263	34081
Contribution to Exchequer	7202	11999	8045	8270	5358	5654	5719	4456	3833	3498
Payments relating to Employees	9478	9503	9175	7183	17915	17631	21892	21694	23368	24360
No. of Employees	2373	2419	2422	2510	34506	34596	51929	55665	56099	57736
Book value per Share (Rs.) *	32.90 %	332.47	287.43	288.19	261.51	202.67	182.69	169.58	170.18	168.29
Earnings per Share (Rs.)	2.92 %	63.3	25.72	50.79**	53.56**	33.25	22.93	16.28	12.56	12.80
Dividend per Share (Rs.)	2.00 %	20.00	17.50	35.00&	15.00	12.00	10.00	8.50	7.00	7.00
Total Debt to Equity *	0.25	0.24	0.42	0.43	0.52	0.21	0.19	0.21	0.24	0.23

CONSOLIDATED FINANCIAL HIGHLIGHTS

Total Income	603402	585499	490730	437597	410323	315112	307673	309948	296778^	307133
Profit before Tax	49451	64098	125631	205928	56561	41840	31372	28771	17891^	12665
Net Profit	25433	39030.13	70054.64	154255	44335	29915	21547	19643	8254^	9867
Book value per Share (Rs.) *	63.37 %	596.35	580.94	557.34	359.96	275.27	266.26	234.97	207.20	188.28
Basic Earnings per Share (Rs.)	4.11 %	63.11	113.28	250.41**	77.46**	53.21	38.33	34.95	14.68^	17.55
Total Debt to Equity *	0.21	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 months period.

% Computation based on revised face value of shares.

Notice

Notice is hereby given that the Forty-Eighth 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 Tuesday, 30 August 2011, 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 31 March 2011 and the balance sheet as at 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 K Krishna Kumar who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr A R Gandhi who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Mr J S Bilimoria who retires by rotation and is eligible for reappointment.
6. To appoint a Director in place of Mrs Mallika Srinivasan who retires by rotation and is eligible for reappointment.
7. To appoint auditors and fix their remuneration.

Special business:

8. Reappointment and remuneration of Managing Director

To consider and if thought fit to pass, with or without modification, the following resolution as an ordinary resolution:

“RESOLVED that subject to the approval of Central Government and in accordance with the provisions of Sections 269, 309 and 311 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the Company hereby approves the reappointment of and remuneration payable to Mr P T Siganporia who was reappointed by the Board of Directors as Managing Director of the Company for a period of one year with effect from 1 July 2011, upon the terms and conditions set out in the draft agreement between the Company and Mr. Siganporia, submitted to this meeting and for the purpose of identification initialled by a Director which agreement is hereby specifically approved with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and remuneration in such manner and to such extent as may be agreed between the Board of Directors and Mr. Siganporia so as not to exceed the limits set out in Schedule XIII of the Companies Act, 1956 including any amendments thereto”.

9. Approval of payment of remuneration to Mr P T Siganporia during 1.7.2011 to 30.6.2012 by an overseas subsidiary of the Company

To consider and if thought fit to pass, with or without modification, the following resolution as a special resolution:

“RESOLVED that pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby consents to Mr. P T Siganporia, Managing Director of the Company holding and continuing to hold an office or place of profit under an overseas subsidiary of the Company, namely Tata Global Beverages Group Limited (formerly Tata Tea (GB) Ltd) from 1 July 2011 to 30 June 2012 as a Director on a basic salary in the region of £200,000 to £400,000 per annum as reduced by the remuneration payable to Mr. Siganporia by Tata Global Beverages Limited in accordance with resolution at item no 8 above plus perquisites, allowances, bonuses, benefits, amenities and facilities as set out in the explanatory statement annexed hereto as are applicable to an employee in his grade with such increases in salary, perquisites, allowances, bonuses, benefits, amenities and facilities as may be decided by the Board of Directors of Tata Global Beverages Group Limited, UK (formerly Tata Tea (GB) Ltd) from time to time.”

Notice

Continued

10. Borrowing powers

To consider and if thought fit to pass, with or without modification, the following resolution as an ordinary resolution:

"RESOLVED that in supersession of the resolution passed by the Members of the Company at the Annual General Meeting held on 17.9.1999 and pursuant to the provisions of Section 293 (1)(d) of the Companies Act, 1956, and pursuant to the provisions of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time, any sum or sums of money for the purpose of Company's business which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the aggregate of the monies borrowed by the Board and outstanding at any time does not exceed Rs. 1,200 crores or the aggregate of paid-up share capital of the Company and its free reserves, whichever is higher."

11. Creation of mortgage/charge

To consider and if thought fit to pass, with or without modification, the following resolution as an ordinary resolution:

"RESOLVED that the consent of the Company be and is hereby given in terms of Section 293(1)(a) of the Companies Act, 1956, and other applicable provisions, if any, to the creation by the Board of Directors of the Company of such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecations created by the Company as the Board may direct, on such assets of the Company, both present and future, in such manner as the Board may direct, together with power to takeover the management/undertaking of the Company in certain events to or in favour of all or any of the financial institutions, investment institutions and their subsidiaries, Export Import Bank of India, Army Group Insurance Fund, Naval Group Insurance Fund, public sector banks, private sector banks, mutual funds, any other bodies corporate and any other lenders (hereinafter collectively referred to as 'the lending agencies') and/or Trustees for the holders of debentures/bonds/other instruments to secure borrowings of the Company by way of loans/issue of debentures/bonds/other instruments which may be issued on a pari passu basis or otherwise not exceeding Rs. 1,200 crores which have been/are proposed to be obtained from or privately placed with the lending agencies together with interest thereon at the agreed rates, further interest, liquidated damages, premium on prepayment or on redemption, costs, charges, expenses and all other monies payable by the Company to the Trustees under the trust deeds and/or to the lending agencies under the respective agreements/loan agreements/debenture trust deeds entered into/to be entered into by the Company in respect of the said borrowings."

"RESOLVED further that the Board of Directors of the Company be and is hereby authorised to finalise with the lending agencies/trustees or any of them, the documents for creating the mortgages/charges/hypothecations and to accept or make any alterations/changes/variations to or in the terms and conditions and to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary for the purpose of giving effect to this resolution."

The Register of Members shall remain closed from 12 August 2011 to 30 August 2011, both days inclusive.

Registered Office:
1 Bishop Lefroy Road
Kolkata – 700 020
Date: 28 July 2011

By order of the Board



(V MADAN)

Vice-President and Secretary

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 31 August 2011, to those members of the Company holding shares in physical form whose names appear on the Register of Members as at 12 August 2011. In respect of shares held in electronic form, the dividend will be paid to the beneficial owners of the shares as at beginning of 12 August 2011 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, 9 digit MICR number, the nature of account and their Core Banking Solutions 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 the 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 the 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 205C of the Companies Act, 1956 all unclaimed/unpaid dividends, debenture interests and interest on deposits as well as principal amount of deposits upto 31.3.2011 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 shareholders it is hereby notified that the following dividend/interest amounts will be due for transfer to IEPF during the financial year 2011/12:
 - a) Dividend paid on 10 September 2004 in respect of the financial year 2003/2004
 - b) Interest on fixed deposits paid during 1.4.2004 to 31.3.2005
 - c) Principal amounts on maturity of deposits due during 1.4.2004 to 31.3.2005

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 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 the Company's Registrar and Share Transfer Agents, TSR Darashaw Ltd. Shareholders holding shares in electronic form must advise their respective depository participants about any 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. 8 and 9

At a meeting of the Board of Directors of the Company held on 24 May 2011 the Board decided to reappoint Mr P T Siganporia as Managing Director of the Company for a period of one year from 1 July 2011 subject to approval of the shareholders and of the Central Government.

As the shareholders are aware, Mr P T Siganporia is based in London as he also spends considerable time and energy in overseeing the operations of the subsidiaries including those located abroad. In addition to his responsibilities as Managing Director of the Company, he is responsible for global manufacturing operations as well as buying and blending, supply chain and related activities as well as supervision of some business regions. Accordingly his remuneration with effect from 1 July 2011 till 30 June 2012 will be paid in the UK by Tata Global Beverages Group Limited, UK (formerly Tata Tea (GB) Ltd, UK) which is a subsidiary of your Company.

As regards Mr Siganporia's reappointment as Managing Director of the Company, approval of the Central Government is required because Mr Siganporia will not satisfy the condition prescribed in Schedule XIII of the Companies Act, 1956 relating to residence in India. Upon reappointment of Mr Siganporia as Managing Director with effect from 1 July 2011 he will receive from the Company a portion of his remuneration as set out below and will also receive remuneration from Tata Global Beverages Group Limited, UK.

By an abstract dated 10 June 2011 the shareholders were informed about the reappointment and the revision in Managing Director's remuneration and approval of shareholders is now sought for the reappointment and remuneration payable to Mr Siganporia. Further Section 314 of the Companies Act, requires that except with the consent of the shareholders of the Company accorded by a special resolution no Director of a company can hold any office or place of profit under any subsidiary of the Company. Approval of the shareholders is therefore sought for the remuneration payable to Mr Siganporia by an overseas subsidiary company in terms of requirements of Section 314 of the Companies Act, 1956 for the period 1 July 2011 to 30 June 2012. Resolutions at item numbers 8 and 9 are intended for this purpose.

Mr Siganporia is a graduate in Science and holds a postgraduate diploma in business management. He has been associated with the tea industry for over 37 years.

Remuneration payable by the Company to Mr Siganporia will comprise of:

- a) **Salary** – Rs. 493,970 per month in the scale of Rs. 400,000 to Rs. 600,000 with liberty to the Board to decide about the quantum of annual increment which will be effective from 1 April every year based on the recommendation of the Remuneration committee.

Company will contribute to provident fund, superannuation and gratuity funds to the extent these either singly or together are not taxable under the Income Tax act. Gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of limits for remuneration or perquisites as aforesaid.

- b) The Managing Director shall not be entitled to any perquisites or allowances or incentive remuneration or commission from the Company.
- c) **Minimum remuneration** – notwithstanding anything herein, where in any financial year, during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration to Mr Siganporia as specified above.

Mr Siganporia will be entitled to leave according to Company's leave rules applicable to the Managing Director.

The agreement between the Company and Mr Siganporia may be terminated by either party by giving six months' notice from either side or the Company paying six months' remuneration in lieu thereof.

Other terms of appointment:

- i) The Managing Director (MD) shall not become interested or otherwise concerned directly or through his spouse and/or children in any selling agency of the Company.

- ii) The employment of the MD may be terminated by the Company without notice or payment in lieu of notice:
 - a) if the MD is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or of any subsidiary or associate company to which he is required by the agreement to render services or
 - b) in the event of any serious or continuing breach (after prior warning) or non-observance by the MD of any of the stipulations contained in the agreement to be executed between the Company and the MD or
 - c) in the event the Board expresses its loss of confidence in the MD.
- iii) Upon the termination of the employment of MD by whatever means:
 - a) The MD shall immediately tender his resignation as a Director of the Company from such other offices held by him in the Company, in any subsidiary or associate company and other entities without claim for any compensation for loss of office, and
 - b) The MD shall not, without the consent of the Company, at any time thereafter, represent himself as connected with the Company or any of its subsidiaries or associate companies.
- iv) If at any time Mr Siganporia ceases to be a Director of the Company he will forthwith, cease to be the MD of the Company.
- v) If at any time Mr Siganporia ceases to be in the employment of the Company for any cause whatsoever, he shall also cease to be a Director of the Company.
- vi) The MD is being appointed by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283(1) (l) of the Companies Act, 1956.
- vii) The terms and conditions of the appointment of MD also includes clauses pertaining to adherence to the Tata Code of Conduct, no conflict of interest with the Company and maintenance of confidentiality.

The draft agreement between the Company and Mr Siganporia is available for inspection by the Members of the Company at the registered office of the Company on any working day upto the day preceding the date of the Annual General Meeting except Saturdays and Sundays between 10 a.m. and 12 noon and will also be available at the meeting.

Mr Siganporia as a Director of Tata Global Beverages Group Limited, UK will be receiving with effect from 1 April 2011 a basic salary in the scale of £200,000 to £400,000 plus perquisites, allowances, bonuses, benefits, amenities and facilities including bonus as may be approved by the Board of Tata Global Beverages Group Limited, UK. Mr Siganporia will also be eligible to receive annual increments and increases in perquisites, allowances, bonuses, benefits, amenities and facilities as and when these are revised upwards by Tata Global Beverages Group Limited, UK. The exact amount of remuneration payable by Tata Global Beverages Group Limited, UK to Mr Siganporia in the UK will be determined by the Board of Tata Global Beverages Group Limited, UK and will be reduced by the amount of remuneration paid/payable to him in India by the Company.

Mr Siganporia has filed with the Company Form DD A. Further details about his qualifications, years of experience, other directorships etc have been given in the annexure to the notice.

This may be treated as an abstract of the terms and conditions of reappointment of Mr Siganporia as required under Section 302 of the Companies Act, 1956.

The resolutions set out in Items 8 and 9 of the notice are to be considered accordingly and your Directors commend the same for acceptance.

No Director of the Company other than Mr Siganporia is concerned or interested in these resolutions.

Explanatory statement

Continued

Item No. 10

Borrowing powers

In terms of Section 293(1)(d) of the Companies Act, 1956 and Article 70 of the Articles of Association of the Company consent of the Company in General Meeting is required for the Board of Directors of the Company ("the Board") to borrow monies for the purpose of the business of the Company, when the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers) will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

At the Annual General Meeting of the members of the Company held on 17.9.1999 the members had authorised the Board of Directors to borrow for the purpose of business of the Company up to a limit of Rs. 800 crores.

Keeping in view that the Company's growth and diversification plans which when implemented would entail further borrowings by the Company, it is desirable to increase the Company's borrowing powers from the existing limit of Rs. 800 crores to Rs. 1,200 crores.

The resolution set out in Item No 10 of the Notice seeks members' approval to enhance such borrowing limit to Rs. 1,200 crores or the aggregate of the paid up capital and free reserves, whichever is higher.

Your Directors commend the acceptance of this resolution by the Members.

No Director of the Company is concerned or interested in the resolution.

Item No. 11

Creation of mortgage/charge

To meet the long-term funding requirement of the Company from time to time, the Company is required to borrow monies from various lending agencies. The Company also borrows through issue of debentures/bonds/other instruments on a pari passu basis or otherwise. As security for these borrowings/issue of debentures or bonds/other instruments, the Company is required to create mortgages and/or charges on certain movable and immovable properties of the Company as may be required under the terms of the borrowings/issue of debentures or bonds/other instruments.

In terms of Section 293(1)(a) of the Companies Act, 1956, it is necessary for the Company to obtain approval of the members before creation of the mortgage/charge/hypothecation in favour of the lending agencies/debenture trustees as one of the conditions of such borrowings may provide a right to the lending agency to take over the management/undertaking of the Company in certain events.

It is, therefore, proposed to obtain approval of the shareholders for creating such mortgages/charges/hypothecations on the movable and immovable properties of the Company up to Rs. 1,200 crores in favour of the lending agencies/debenture trustees as set out in resolution at item No 11 of the annexed notice.

Your Directors commend passing of this resolution by the Members.

No Director of the Company is concerned or interested in the resolution.

Registered Office:
1 Bishop Lefroy Road
Kolkata – 700 020
Date: 28 July 2011

By order of the Board



(V MADAN)

Vice-President and Secretary

Particulars of Directors seeking appointment/reappointment

Name of Director	Mr R K Krishna Kumar	Mr A R Gandhi	Mr J S Bilimoria
Date of birth	18.7.1938	15.3.1943	27.1.1947
Date of appointment	5.5.1987	1.6.2007	25.3.2009
Qualifications	M.A.	B.Com, FCA (Eng & Wales), FCA	B. Com., FCA (Eng. & Wales)
Number of shares held in the Company	90,000	Nil	Nil
Expertise in specific functional area	<p>Mr R K Krishna Kumar served as the Managing Director of the Company from May 1991 to January 1998. He was appointed Vice-Chairman and Managing Director in 1997. In 1998, he ceased to be the Managing Director to take over as the Managing Director of The Indian Hotels Co. Ltd. He is also on the Boards of a number of Tata Group Companies including Tata Sons Ltd. and Tata Industries Ltd. He is also the Trustee of several important Tata Trusts. Mr Krishna Kumar has been associated with the tea industry for over 43 years. He has long experience of overall business management of Indian and overseas corporate bodies.</p>	<p>Mr A R Gandhi is a Director on the Board of Directors of Tata Sons Ltd, member of the Group Corporate Centre of the Tata Companies and Director on the Board of Directors of several Tata companies. He joined Tata Sons Limited as an Executive Director on 18 August 2003 and continued in that position till 17 August 2008. Mr Gandhi has led the Tata Group's efforts in acquiring diverse assets and companies across the globe. This has enabled the Tata Group to acquire critical assets, resources and access to world-class R & D facilities. Mr Gandhi is a fellow member of the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants of India. He is an associate member of the Chartered Institute of Taxation, London.</p>	<p>Mr J S Bilimoria was the Managing Director and Country Head of Ciba Specialty Chemicals India Limited in India. He has been associated with the Ciba group since 1997 and has held various positions in Ciba viz. Finance Director, Managing Director & Country Head and Vice-Chairman & Managing Director and Chairman. Besides operational responsibilities he was actively involved in various acquisition opportunities, restructuring of businesses and integration of new opportunities including joint ventures and strategic alliances and actively contributed to the merger between Sandoz and Hindustan Ciba Geigy in formation of Novartis India Limited, and subsequent demerger of the chemical businesses to form Ciba Specialty Chemicals India Limited. Mr Bilimoria also served as a member on the Committee of the Bombay Chamber of Commerce and the Indo Swiss Business Forum.</p>
Chairman/Director of other companies (excluding foreign companies) as at 31.3.2011	Tata Sons Ltd. Tata Industries Ltd. The Indian Hotels Co. Ltd. Tata Coffee Ltd. Ewart Investments Ltd. Tata Housing Development Company Ltd. PIEM Hotels Ltd. Oriental Hotels Ltd. Infiniti Retail Ltd. Tata Realty & Infrastructure Ltd. NourishCo Beverages Limited RNT Associates Pvt. Ltd. Casa Decor Pvt. Ltd.	Tata Sons Ltd. Tata Communications Ltd. Tata Asset Management Ltd. Tata Business Support Services Ltd. Benares Hotels Ltd. The Paper Products Ltd. PIEM Hotels Ltd. Tata Housing Development Company Ltd. Infiniti Retail Ltd. NourishCo Beverages Limited	Champion Dai-Ichi Technologies India Ltd. Dai-Ichi Karkaria Ltd. eClerx Services Ltd. Godrej Industries Ltd. Infiniti Retail Ltd. National Peroxide Ltd. Oberoi Realty Ltd. Tata Realty and Infrastructure Ltd. Voltas Ltd. ING Investment Management (India) Pvt. Ltd.
Chairman/Member of Committees* of the Boards of Companies of which he is a Director as at 31.3.2011	Tata Coffee Ltd. <i>Shareholders'/Investors' Grievance – Chairman</i> The Indian Hotels Co. Ltd. <i>Shareholders'/Investors' Grievance – Member</i>	The Paper Products Ltd. <i>Audit Committee – Member</i> Tata Asset Management Ltd. <i>Audit Committee – Member</i> Tata Sons Ltd <i>Audit Committee – Chairman</i> Tata Business Support Services Ltd. <i>Audit Committee – Member</i> PIEM Hotels Ltd. <i>Audit Committee – Chairman</i>	Dai-Ichi Karkaria Ltd. <i>Audit – Member</i> eClerx Services Ltd. <i>Audit – Chairman</i> Infiniti Retail Ltd. <i>Audit – Chairman</i> Oberoi Realty Ltd. <i>Audit – Member</i> National Peroxide Ltd. <i>Audit – Chairman</i> Tata Realty and Infrastructure Ltd. <i>Audit – Member</i> Voltas Ltd. <i>Audit – Chairman</i>

Particulars of Directors seeking appointment/reappointment

Continued

Name of Director	Mrs Mallika Srinivasan	Mr P T Siganporia
Date of birth	19.11.1959	25.2.1951
Date of appointment	22.10.2008	16.6.2000
Qualifications	M.A. (Econometrics), MBA (Wharton)	B.Sc., PGDBM
Number of shares held in the Company	Nil	2,640
Expertise in specific functional area	Mrs Mallika Srinivasan is the Chairman and Chief Executive Officer of Tractors and Farm Equipment Ltd., a flagship company of the Amalgamations Group. A thought leader and strategist, recognised for her commitment to excellence and contribution to Indian Industry, she has been at the helm of affairs of industry bodies and trade associations such as Tractor Manufacturers Association, Madras Management Association, Madras Chamber of Commerce & Industry and the Southern Regional Council of CII. She is also a Director of five other Indian companies. She is a recipient of several business awards and has also been recognised by <i>Business Today</i> for seven consecutive years as one of the 25 most powerful women in Indian business. She shares an avid interest in academia, particularly management education and is a member of the Executive Board of Indian School of Business, Hyderabad.	Mr P T Siganporia joined the Company in 1974 and has worked in various locations specialising in marketing, sales and overall business management and administration. He has long experience in all facets of the Company's business particularly in procurement, supply chain, marketing and sales. He has over 37 years of experience of working in the tea industry.
Chairman/Director of other companies (excluding foreign companies) as at 31.3.2011	Tractors and Farm Equipment Ltd. TAFE Reach Ltd. TAFE Motors and Tractors Ltd. TAFE Access Ltd. United Niligiri Tea Estates Company Ltd. Trust Properties Development Co. Pvt. Ltd. Standyne Amalgamations Pvt. Ltd.	Tata Coffee Ltd. Mount Everest Mineral Water Ltd.
Chairman/Member of Committees* of the Boards of Companies of which she/he is a Director as at 31.3.2011	TAFE Motors and Tractors Ltd. <i>Audit - Member</i>	Nil

* Includes Audit and Shareholders'/Inverstors' Grievance Committee.

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 Global Beverages Limited (formerly 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 only be made by individuals applying/holding shares/debentures/deposits on their own behalf singly or jointly up to 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 a 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 a valid discharge by a Company against the legal heir.

FOR OFFICE USE ONLY

Nomination regn. no.: _____

Checked by: _____

Date of registration: _____

Signature of
employee: _____

Cut Here

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, otherwise 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 subsequent correspondence regarding the nomination may 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 GLOBAL BEVERAGES LIMITED

Registered Office: 1 Bishop Lefroy Road, Kolkata 700 020

Dear Shareholder(s),

SUBJECT: PAYMENT OF DIVIDEND THROUGH NATIONAL ELECTRONIC CLEARING SERVICE (NECS)

Securities and Exchange Board of India (SEBI) has made it MANDATORY for all companies to use the electronic mode of remittance for distributing dividends and other cash benefits to the investors, wherever applicable.

You may be aware that as per RBI notification, remittance of money through Electronic Clearance Service (ECS) is replaced by National Electronic Clearance System (NECS) with effect from 1 October 2009. Advantages of NECS over ECS include faster credit to the beneficiary's account and ease of operation for the remitting agency.

While NECS has obvious advantages over ECS, one of the eligibility criteria for remittance through NECS is that the beneficiary should have a bank account with a bank/branch which is under Core Banking Solutions (CBS), whereas under ECS, remittance was feasible even in the case of the beneficiary having a bank account with non-CBS bank/branch.

Taking into consideration the overall advantage, the Company will utilise the facility of NECS for payment of dividend in future directly to your bank account. It is, therefore, necessary that the correct bank details and your CBS account number are recorded with the Company Registrar – TSR Darashaw Limited.

We request you to verify with your bank that the branch in which you maintain your account is under Core Banking Solutions.

If the bank branch in which you maintain your account is under Core Banking Solutions, kindly ensure that your bank account number is the same as that recorded with our registrars. If there is a change in the bank account number, new bank account no. (new CBS account number) needs to be registered against your folio number.

If you want to change the bank details registered, or correct or update your new CBS account number, we request you to kindly furnish to our registrars, TSR Darashaw Limited the following information on the reverse of this letter.

1. Your bank details with the nine digit MICR code and account number and type in the bank.
2. Your new CBS account number.

Please attach a copy of the cancelled cheque.

We would also like to assure you that upon remittance of dividend amount directly to your bank account, separate intimation giving details thereof, will be sent to you by the Company.

If, for any reason, we are unable to credit the dividend amount directly to your bank account, the same would be remitted to you by way of dividend warrant with bank details printed thereon.

If the bank details currently registered with your CBS account number are correct and there is no change in the bank details or in the account number, you may ignore this letter.

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: tsrdlbang@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 and Transfer Agent:

TSR DARASHAW LIMITED

(Unit: Tata Global Beverages Limited)

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

Tel: 022-66568484 • Fax: 022-66568494

Email: csg-unit@tsrdarashaw.com • Website: www.tsrdarashaw.com



TATA GLOBAL BEVERAGES LIMITED

1 Bishop Lefroy Road, Kolkata 700 020

28 July 2011

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 joint holders, 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 your PAN details, kindly ignore this letter.

For **TATA GLOBAL BEVERAGES LIMITED**

V Madan
Vice-President and Secretary

Cut here

From:

Name:

Address:

To:

TSR Darashaw Limited
Unit: Tata Global Beverages 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 PAN cards which record against my/our names.

Folio no:

Tel: _____

DP ID/Client ID no:

Email: _____

Name of the shareholder	PAN No	*Signature

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



TATA GLOBAL BEVERAGES LIMITED

Registered Office : 1 Bishop Lefroy Road, Kolkata 700020

Dear Shareholder,

As a responsible corporate citizen, your Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India (MCA), by its recent Circulars, enabling electronic delivery of documents including the Annual Report, Quarterly, Half-yearly results etc. to shareholders at their e-mail addresses previously registered with the Depository Participants (DPs)/Company/Registrars & Share Transfer Agents.

Accordingly, we have sent e-mails in May 2011 to such members whose e-mail addresses were available in the records of the DPs/Company/TSR Darashaw Limited (TSRDL), informing them about the 'Green Initiative' and the Company's proposal to send the documents including Annual Report (from 2010-11 onwards) in electronic form at their e-mail addresses. An option has been given to the shareholders, to continue to receive physical copies of the relevant documents/Annual Report, provided a specific request/response is received from them to that effect.

Members who have not registered their e-mail addresses so far or who wish to change their e-mail address are requested to register their e-mail addresses. Members holding shares in demat form can register their e-mail addresses with their concerned DPs. Members who hold shares in physical form are requested to register their e-mail addresses with TSRDL, by sending a letter, duly signed by the first/sole holder to the following address, quoting details of Folio No. ;

TSR Darashaw Limited
Unit : Tata Global Beverages Limited
6-10, Haji Moosa Patrawalla Industrial Estate
20, Dr. E. Moses Road
Mahalaxmi, Mumbai 400 011

Alternatively you may send a scanned copy of your letter requesting for registration of the email address at csq-green@tsrdarashaw.com

The Annual Report and other communication sent electronically will be displayed on the Company's website : www.tataglobalbeverages.com and will also be available for inspection at the Registered Office of the Company during the office hours.

We request you to support this 'Green Initiative' and opt for electronic mode of communication by advising your e-mail id, if you have not already done so. Your pro-active step in this direction will go a long way in saving trees and also result in substantial cost savings to the Company.

Thanking you,

Yours faithfully,

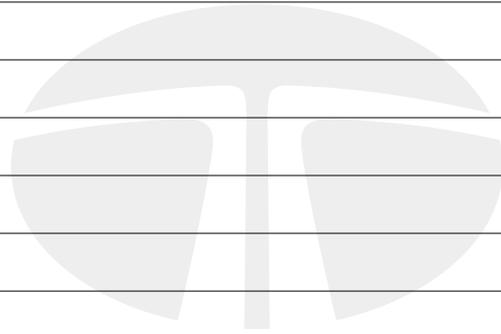
For Tata Global Beverages Limited

V. Madan

Vice President and Company Secretary

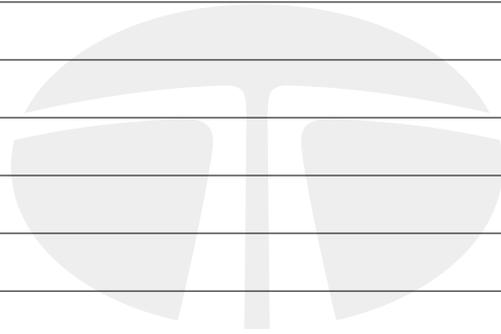
28 July 2011

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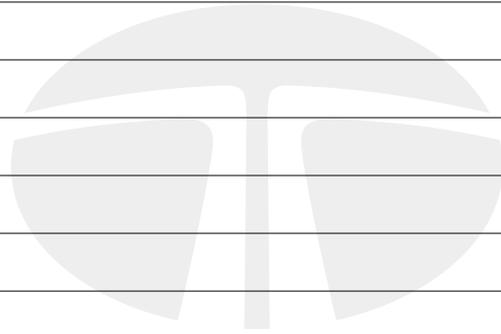
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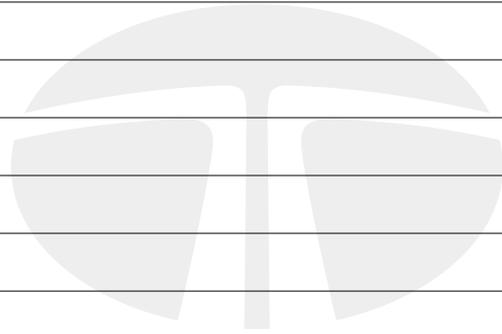
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TATA GLOBAL BEVERAGES

Tata Global Beverages Limited

1 Bishop Lefroy Road, Kolkata, 700 020
India

