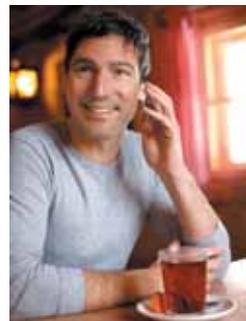
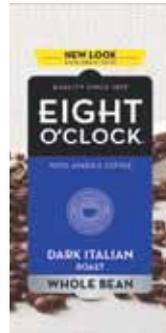




TATA GLOBAL BEVERAGES

Annual report and financial statements 2011 /12



Contents



01-17

Overview

- 02 Corporate snapshot
- 03 Track record
- 04 An insight into our business
- 05 Our strategy
- 06 Our global presence
- 07 Highlights 2011-12

18-32

Consolidated performance review

- 18 Performance review
- 21 Our competitive advantage
- 22 Our 'good-for-you' beverage portfolio
- 28 Expanding our portfolio
- 29 Sustainability
- 32 People

92-167

Financial statements and notes

- Standalone financial statements
 - 92 Auditors' report
 - 93 Annexure to auditors' report
 - 96 Balance sheet
 - 97 Statement of profit and loss
 - 98 Cash flow statement
 - 100 Notes forming part of the financial statements
 - 127 Balance sheet abstract and Company's general business profile
 - 128 Statement of area, crop and yield
- Consolidated financial statements
 - 129 Auditors' report
 - 130 Consolidated balance sheet
 - 131 Consolidated statement of profit and loss
 - 132 Consolidated cash flow statement
 - 134 Notes forming part of the consolidated financial statements
 - 166 Subsidiary companies' financial highlights
 - 167 Ten-year summary

33-91

Management and governance

- 33 Board of Directors
- 37 Executive management
- 41 Corporate information
- 42 Notice
- 45 Explanatory statement
- 51 Particulars of Directors seeking appointment/reappointment
- 53 Directors' report
- 62 Annexure to the Directors' report
- 67 Management discussion and analysis report
- 74 Report on corporate governance for 2011/12
- 91 Auditors' certificate

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.



Thirsty?

Tata Global Beverages strengthened its business to service consumers the world over.

The company reinforced its multi-genre, multi-brand, multi-country and multi-alliance strategy to delight consumers the world over.



Our business

Corporate snapshot



Tata Global Beverages is an integrated beverage business that has set out to become a global leader in branded, good-for-you beverages through innovation, strategic acquisition and organic growth. With 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.

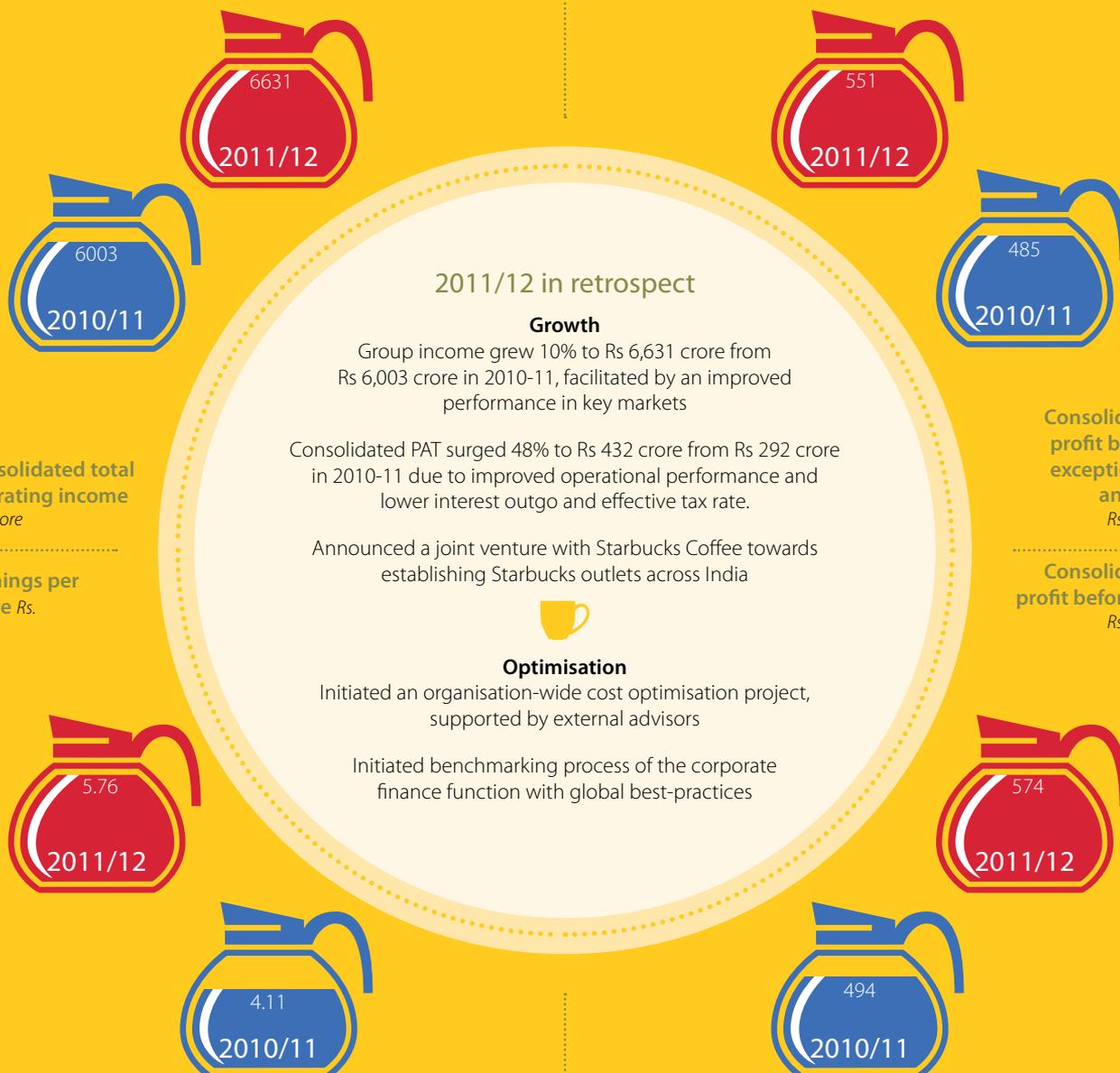
Everything we do is underpinned by the Tata Group's philosophy of 'Leadership with Trust'. Our ambition is to expand our global footprint by entering new markets and new channels with beverages that taste good, are good-for-you, good for others and good for the planet.



Our Good-For-You Brands



Track record



2011/12 in retrospect

Growth

Group income grew 10% to Rs 6,631 crore from Rs 6,003 crore in 2010-11, facilitated by an improved performance in key markets

Consolidated PAT surged 48% to Rs 432 crore from Rs 292 crore in 2010-11 due to improved operational performance and lower interest outgo and effective tax rate.

Announced a joint venture with Starbucks Coffee towards establishing Starbucks outlets across India



Optimisation

Initiated an organisation-wide cost optimisation project, supported by external advisors

Initiated benchmarking process of the corporate finance function with global best-practices

Consolidated total operating income
Rs. Crore

Earnings per share
Rs.

Consolidated profit before exceptional and tax
Rs. Crore

Consolidated profit before tax
Rs. Crore

Overview

An insight into our business



Vision: To become a global leader in good-for-you beverages through innovation, strategic acquisition and organic growth



Direction

We encourage our employees to share our vision and join us on our mission. Our cultural themes encourage a sense of common purpose and pride in our Company. Together, they provide a sense of responsible irreverence to everything we do

Directional themes

Consumer is our heartbeat



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

Disruptively challenging



We think differently, we are open to new sources of inspiration and 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 possess 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 are fair and honest with everyone. We do the right things for the environment and inspire others to do the same. It is also important for us to provide a working and learning environment where everyone is treated equally and with dignity



Strategy

Tata Global Beverages is today an integrated beverage business that has set out on a journey to become a global leader in branded good-for-you beverages through innovation, strategic acquisition and organic growth.

We have 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.

Tata Global Beverages unite the beverage interests of the Tata Group, bringing a variety of great brands under one umbrella.

We've grown from a domestic Indian tea grower to a global business in less than 10 years and it's today the group's ambition to become a marketing and brand focused organisation with a portfolio of strong consumer brands. Over 90% of our sales today are from branded products.

Brands

We are building key global brands including Tetley and Tata Tea, plus exciting new regional brands such as Tetley Infusions , Eight O' Clock, etc

Products and 'disruptive' innovation

We are challenging and changing the way customers think about beverages and enjoy them

Sustainability

We are aiming for long-term success through enterprise sustainability.

Processes

Our new global information systems will improve efficiency and knowledge-sharing

Distribution

We are entering new markets and new channels to become truly global

People

We are making Tata Global Beverages 'The place to be', thanks to our global management system, strong culture and talent management strategy

Overview

Our global presence



Physical presence

- Europe ● Middle East ● Asia ● Australasia ● Africa ● North America
- Administrative Head office ● Offices ● Operations



Brand presence





Mr R K Krishna Kumar, Vice Chairman, and Mr John Culver, President, Starbucks China and Asia Pacific, on the signing of joint venture agreement.

Highlights, 2011-12

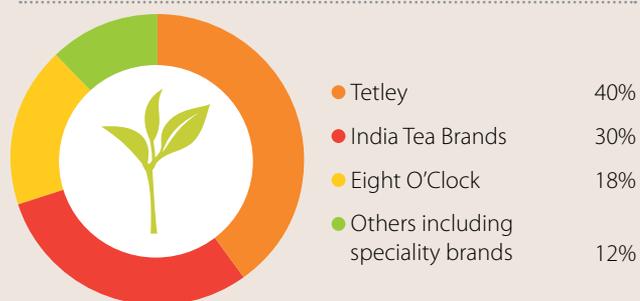
- Maintained market volume and value leadership in India with 19.6% and 21.3% share, respectively
- Launched the 'Soch Badlo' campaign to celebrate 25 years of the Tata Tea brand in India and received three awards at the Goa Fest 2012, for the campaign
- Maintained market leadership in the UK in Redbush and Decaff teas; achieved the No. 2 position in green teas in that geography
- Enjoyed volume and value leadership in Canada; new product launches (fruit and herbal and decaff green) received strong consumer response
- The new Eight O'Clock mid-size bag rollout received an encouraging consumer response in the US
- Increased sales of premium Teapigs products in the UK by 49%; 13 Teapigs SKUs won the Great Taste Award, while Lemongrass received three gold star awards
- Gained distribution access in Oman, Bahrain and Lebanon

Our global performance (income from operations)



● 2010-11 ● 2011-12

Brand-wise sales



Product category-wise sales





Responding to a consumer shift towards beverages



During the financial year under review, Tata Global Beverages strengthened its initiative to provide consumers with nutrient enhanced hydration products.

The company entered into a joint venture with PepsiCo India with the objective to introduce a number of nutritionally-positive drinks in India.

NourishCo, the joint venture, launched Tata Water Plus, India's first nutrient water brand. This was more than a product launch; the launch created the category in India. The nutritionally rich brand, available in zinc and chromium variants, extends beyond the mere quenching of thirst to the overall promotion of good nutritional health.

NourishCo also launched Tata Gluco Plus, a glucose-based lemon flavoured drink in a unique cup format, with the promise of providing instant energy.

The Company also embarked on a decisive initiative to strengthen its portfolio beyond tea and coffee products. The company launched Portable Single Serve, a single-serve sachet comprising a concentrate of fruit juice, brew tea and cane juice. This bottled hydration alternative combines the nutritional attributes of natural resources with the refreshing goodness of tea.

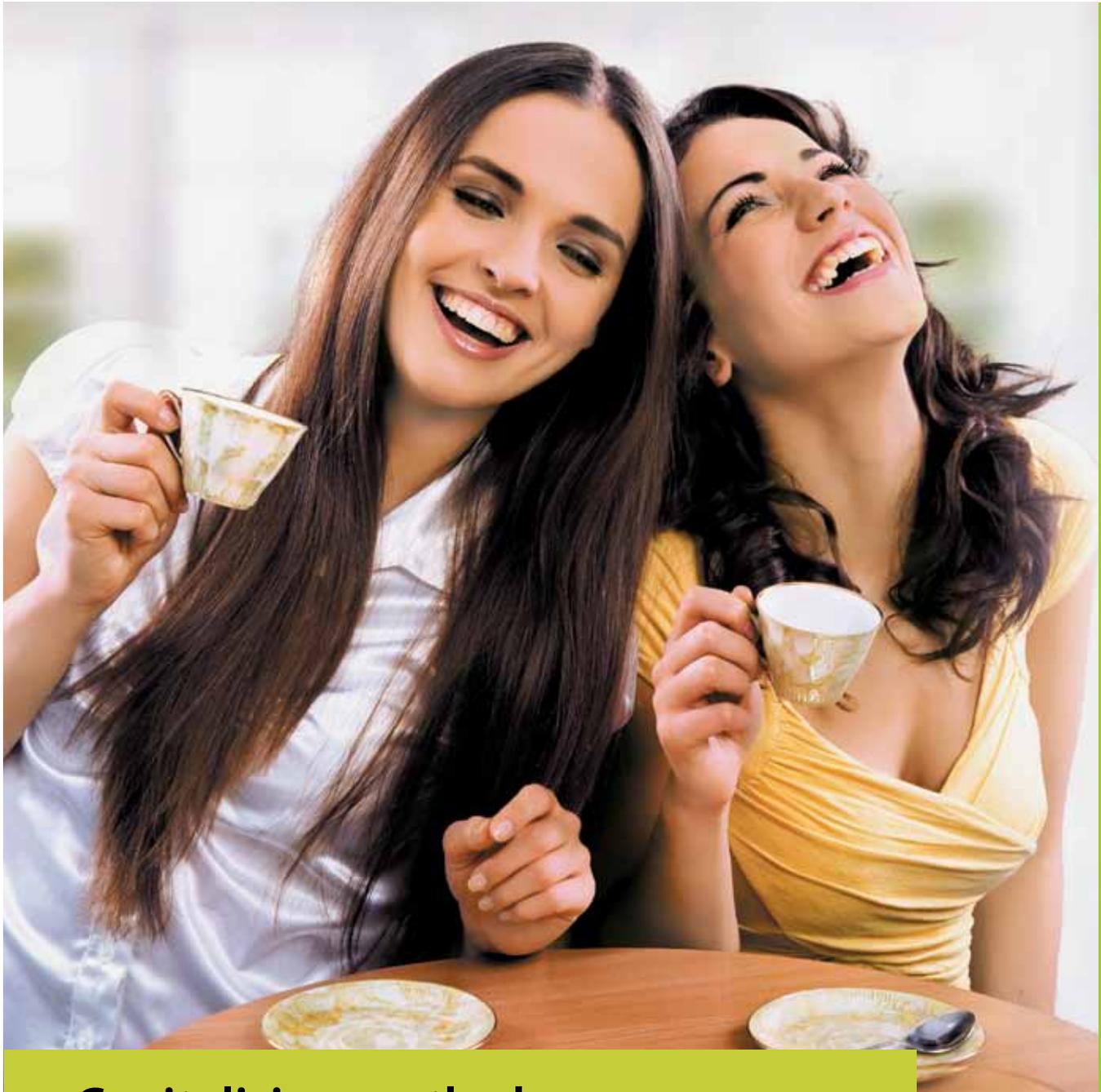
The Company launched Tetley 'Blend of Both', a full-flavoured everyday tea, which combines the normal tea ingredients with green tea, providing the taste of one with the refreshing goodness benefits of the other.

The Company is working on extension of its Himalayan water brand.



Result: We reinforced our commitment to bringing 'good-for-you' beverages to consumers.





Capitalising on the beverage demand growth in India's domestic market



We believe the good-for-you beverage market in India has a high degree of untapped potential. At Tata Global Beverages, we believe we have the right brand portfolio and capability to further grow in this market.

We strengthened consumer recall through our 'Soch Badlo' campaign for Tata Tea under the brand's Jaago Re platform to celebrate 25 years of the brand.

We strengthened volumes following the launch of a Tata Tea television commercial to communicate the 'Aroma' story (15% long leaf); besides, print and electronic media advertisement campaigns strengthened the traction for regional brands.

We widened consumer choice through the launch of three exciting Tetley Green Tea variants - Cinnamon & Honey, Citrus & Spice and Aloe Vera - at high-end retail

outlets and supermarkets in key metro cities, which strengthened our brand among lifestyle consumers seeking exotic flavors.

We widened our Gaon Chalo activity to a large number districts hitherto under penetrated by the organized FMCG segment – and this translated into enhanced volumes.

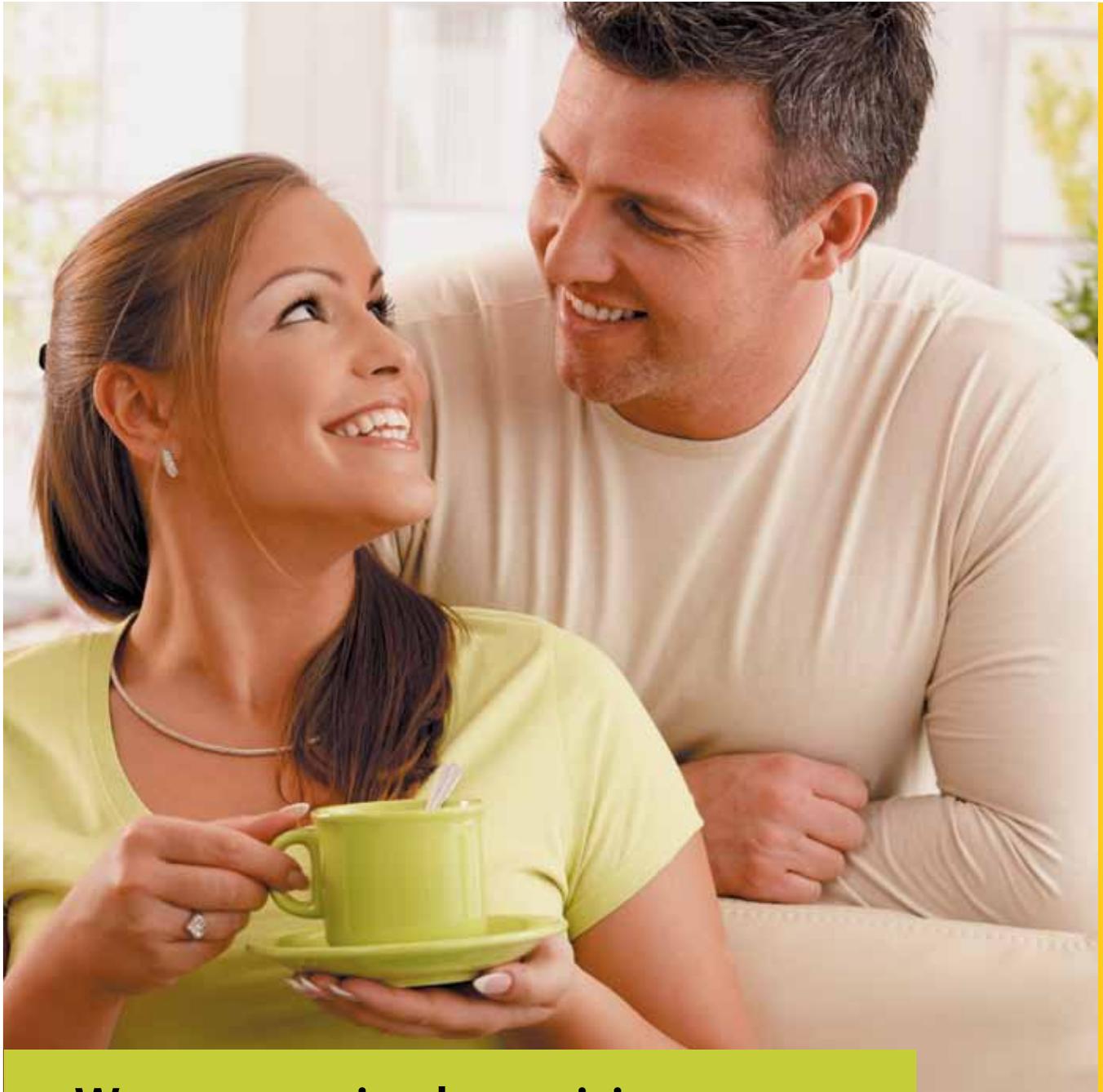
We addressed the increasing consumer shift towards products packaged attractively through the introduction of the following:

- Gift packs: A gift box containing six packets of flavored tea bags; a gift box with three packets of green tea positioned as an ideal gift for the health and wellness conscious
- Larger-sized packs: Tetley Green 250g SKU which catalysed offtake.



Result: We ensured we continue to occupy maximum mindshare with the average Indian. We maintained our volume and value leadership in India with a volume share of 19.6% and a value share of 21.3%.





**We re-organised our vision
to grow faster in the EMEA and
CAA regions**



At Tata Global Beverages, we strengthened various initiatives to respond to the growth coming out of some of the largest and most sophisticated markets of the world.

We structured our CAA (Canada, America and Australia) business through the following initiatives:

- We created uniform structures for Sales and Marketing teams in the various CAA countries
- We identified business and brand leaders from within our company to drive growth across the respective nations
- We launched innovative products which enhanced consumer recall leading to stronger offtake
- In Canada, we launched new blends/products, namely new Chai blends, dark chocolate vanilla bean and Green Pomegranate.
- We encountered favourable offtake for Portable Single-Serve sachets (Tetley Infusions) in Canada
- We generated substantial interest for the Tetley Foodservice programmes in Canada
- We launched the exciting Tetley Chai Latte in Australia and generated a

response that exceeded expectations; our new product lines (fruit and herbal, decaff green) were accepted for listing by major retailers

The result was that our Tetley brand maintained volume and value share leadership in the specialty teas segment in the CAA region.

We embarked on creating a strategy to address opportunities in the EMEA (Europe, Middle East and Africa) region.

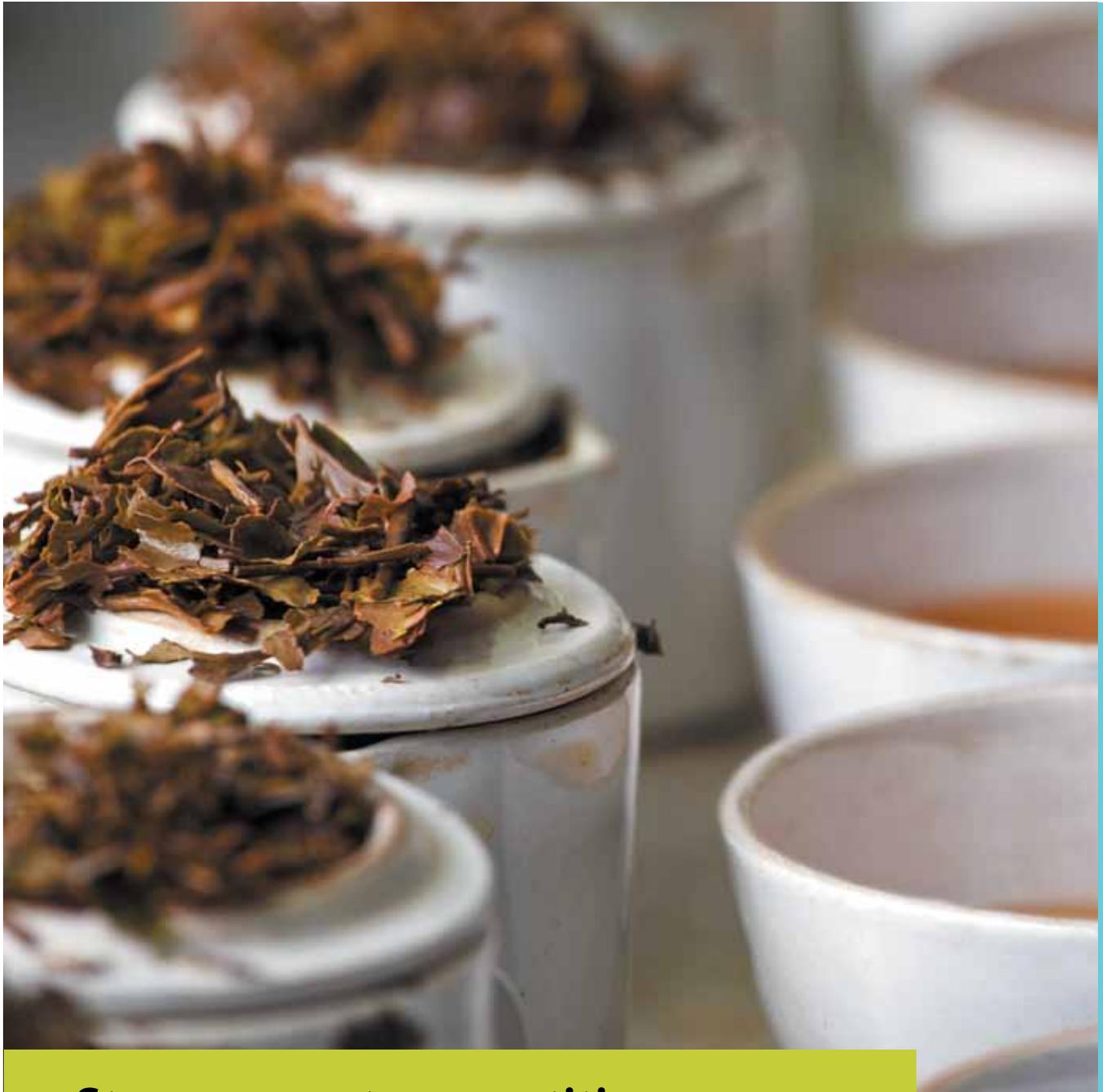
Our EMEA vision responded to the need to achieve sustainable and profitable growth through enhanced brand visibility, marketing success, innovation, commitment and a prioritized focus on areas with the largest impact.

Tetley maintained its number one position in the Decaf and Redbush segments in the UK, while growing its mainstream black tea and green share. We drew out a blue print to extend our leadership to other EMEA regions following a strategic review of opportunities in the Middle East, profitability assessment of Europe, an acquisition transition programme, and a plan to expand outside South Africa to other parts of the continent.



Result: We aim to expand our presence in the region through innovative products and focus on key initiatives.





**Stronger cost competitiveness
leading to a foundation for
sustainable growth**



At Tata Global Beverages, we reinforced various initiatives to enhance our cost competitiveness across various regions, products and market cycles.

- We initiated a cost optimization exercise with assistance from external advisors. The review covered areas such as supply chain optimization, procurement of both direct and indirect and marketing spends. The identified opportunities are in different stages of implementation.
- We undertook a global benchmarking exercise for our finance function. We implemented standardisation initiatives across all our operating plants and units.

- We initiated measures to improve service levels and reduce service costs.
- We reduced our interest cost through a restructuring of high cost debt and repayment.
- We reached logistics network finalisation in the UK, which should yield attractive savings.
- We implemented various IT projects to streamline our international operations and optimise maintenance costs.



Result: We are moving closer to our goal of matching global benchmarks and to emerge as a leaner and fitter global organization.





Growing our business through alliances, joint ventures, collaborations and partnerships



At Tata Global Beverages, we recognize that it is often advisable to enter into collaborations, partnerships, joint ventures and strategic alliances to capitalize on market opportunities with speed rather than embark independently on them across an extended period.

- We announced a joint venture with Starbucks Coffee Company to commission Starbucks stores across India. Tata Coffee will source and roast coffee to supply Tata Starbucks on the one hand and could also export to Starbucks Coffee globally on the other, catalyzing the global discovery of Indian Arabica coffee varieties
- We entered into a joint venture, NourishCo (with PepsiCo), which launched two unique good-for-you beverages – Tata Water Plus and Tata Gluco Plus – for the Indian markets

- We invested in Activate, a start-up beverage company that manufactures and distributes vitamin-enhanced flavoured drinks through a unique cap-dispensing technology resulting in a strong presence in West and South West US markets.
- We invested in Kerala Ayurveda for joint product development
- We engaged in an alliance with Tassimo to establish a meaningful presence in the single-serve cup market
- We negotiated a trademark licensing agreement with Keurig to enter the K-cups market. This agreement will include Eight O'Clock, Good Earth and Tetley brands in the US.



Healthier Beverages for a Healthy India

Result: Our global alliances will facilitate in accelerating our ability to grow shareholder value.



Statement by the management

Consolidated performance review



“It was a heartening performance given the challenges of the external environment.”



Our ‘Soch Badlo’ campaign received Abby awards, India’s most prestigious advertising awards. This campaign received three bronze Abbys in three categories – Brand campaign website, Creative use of Social Media, and Digital Integrated Campaign.



Tetley Chai Latte, an exciting new product, launched in this year achieved more than 100% of the full year launch plan.

At Tata Global Beverages, we reported a commendable performance in 2011-12, enabling us to report robust growth under challenging circumstances. Group income rose 10%, profit before tax increased 14% while the profit after tax scaled 48%, a heartening reflection of our commitment to grow shareholder value in the good times and bad.

Our performance reflects robust market growth in South Asia (particularly India) and the impact of restructuring/cost reduction initiatives in key markets, high commodity prices and increased weight of promotions.

Our India business grew rapidly, aided by our award-winning ‘Soch Badlo’ campaign launched to celebrate 25 years of the Tata Tea brand. Additionally, the ‘Gaon Chalo’ initiative strengthened our footprint in relatively under-penetrated rural and semi-urban areas. Besides, lower tea cost also resulted in improved business margins.

What was also pleasing is that the external market gloom did not adversely impact our service levels with our order-fill and case-fill rates exceeding 97%.

Finance cost declined consequent to debt restructuring in India and a reduction in the UK, enhancing operational profits.

New product launches

We understand that fragile consumer confidence consequent to an uncertain economic environment impacted business volumes in key markets, hence it is increasingly relevant to cement a stronger bond between the brand and its consumer. As a result, we continued our focus on brand building to strengthen recall.

For a consumer goods business, innovation is imperative for sustenance and success. It strengthens the brand, preserving its long-term health. In keeping with this goal, we launched geography-specific, novel, good-for-you beverages that received interesting customer responses.

In Canada, our new product development agenda comprised the launch of New Chai blends (dark chocolate and vanilla bean) and Green Pomegranate 80s.

Specialty tea gained distribution in Australia. Launched in early 2011, Tetley Chai Latte, an exciting new product, achieved significantly higher sales volumes than estimates.

The Indian market is transforming towards premiumisation. The Indian consumer is moving up the value chain from loose to packet tea and also from mid-priced to premium teas, providing robust opportunities at both ends of the market. Green tea, positioned as a ‘good-for-you’ drink, is gaining acceptance with increasing competitive intensity.

To effectively cater to this opportunity, we ventured into the luxury tea segment by launching Tea Veda, the first high-end Tata-badged tea brand in six variants. Our ‘Jaago Re’ and ‘Gaon Chalo’ campaigns will also effectively capitalise on the changing trend in mass markets.

For the green teas segment in India, we launched three new Tetley Green tea variants comprising cinnamon and honey, citrus and spice and aloe vera, which will occupy shelf space in high-end retail outlets and supermarkets in key Indian metros.

We won the North America regional finals

of the prestigious Tata Innovista awards in the Promising Innovations (new product) category. Tetley Infusions - Beyond Crystal Drink Mixes was entered in the 'New Product Innovation' category. The team developed a new positioning for Tetley Infusions centered around the insight that consumers live most of their lives by routines, both large and small.

Factory operations

It is indeed a pleasure to mention that Eaglescliffe and Newton Aycliffe won a prestigious national award in recognition of their outstanding contribution and commitment to training, learning and development in the workplace.

We were named Large Employer of the year at the 2011 National Training Awards (NTA), after beating off fierce competition from across the country and from other industry sectors. Our winning training programme to boost factory productivity and give employees valuable qualifications for the future edged out competition.

The National Training Awards celebrate and showcase 'Investors in People' accredited employers who demonstrate organisational benefits gained by directly linking training needs of staff to the business needs of the organisation.

Growth through alliances

I am happy to state that we cemented win-win alliances with global leaders that promise to make a meaningful contribution to business growth.

In 2010-11, we created a joint venture with PepsiCo India, NourishCo, with a strong product pipeline for the Indian

markets. We launched innovative products, Tata Water Plus and Tata Gluco+ , which have received encouraging consumer response in markets where they have been launched. We will build on our early success with a pan-India presence.

To strengthen our dominance in the Indian market, we entered into a strategic joint venture with Starbucks Coffee. Tata Starbucks, the joint venture company, will own and operate Starbucks outlets in metros and other key cities across India. Tata Starbucks also provides exciting opportunities to collaborate in other areas, including partnering in distribution of consumer packaged goods through grocery channels in India and placing some of our approved products for sale at store locations.

Group level initiatives

In the course of our transformation, we successfully implemented important initiatives in 2011-12 that will significantly improve the way we function.

We concluded a strategic cost review with support from external advisors. We also undertook a review of the Group's finance function to align this division with global best practices. We also initiated the roll-out of an integrated financial consolidation, reporting and business planning system for accurate and real-time decision-making.

Taking the enterprise ahead

Business growth continues to be pivoted on our ability to sustain consumer attraction to our brands through exciting and unique products. For this, we implemented important initiatives



Sales of the premium Teapigs product continued its growth momentum and was up 49% against the previous year.

Statement by the management

Consolidated performance review

continued



that will have a positive impact on our performance.

We are evaluating the possibilities of entering the portable single-serve concentrates segment.

We possess a strong product pipeline customised to suit consumer taste across geographies to be launched in the current year, which should sustain growth momentum.

Concluding remarks

We have built a robust and strong foundation for continued growth. We will continue to invest in research and development especially around the disruptive innovation agenda and in marketing strategies to bring our good-for-you beverages closer to consumers.

While the current year promises new challenges, our agenda in efficiency mapping, business integration and insightful consumer-centric brand building exercises should strengthen our competitive advantage in an increasingly dynamic consumer goods environment.

This would be my last statement as the Managing Director of Tata Global Beverages Limited as I hand over the reigns to Mr. Harish Bhat from July 1, 2012 to steer this global organization to great heights.

He has successfully spearheaded various critical and path-breaking initiatives during his tenure in other Tata Group companies that have accelerated their growth. I am confident of his capabilities in taking the organization to the next growth orbit.

I take the opportunity to thank my colleagues and the entire team for their unstinted support in transforming our dreams into reality.



With my best regards,

Percy Siganporia
Managing Director

(upto 30 June 2012)

"I take this opportunity to thank the entire Tata Global Beverages team, unions, associates, suppliers, customers and other stakeholders for their unstinted support in our exciting journey towards emerging as a global leader in good-for-you beverages. This strengthens my confidence that Tata Global Beverages is in track to achieve its vision and mission."



Our competitive advantage



Heritage

Tata Global Beverages is part of the Tata Group, one of India's most respected business houses. The Tata name has been respected in India for more than 140 years for its adherence to strong values and business ethics. The Tata Group's global presence spans more than 80 countries in 6 continents.

Experience

Tata Global Beverages has rich experience in the beverage category. We've evolved from our strong heritage in tea plantations to a marketing and brand focused organization with a portfolio of dynamic brands.

Multiple Segments

The Company operates in multiple beverage categories such as tea, coffee, water and other good-for-you beverages and aims to extend its portfolio further. We are broadening our product portfolio through innovation as well as strategic alliances.

Strong Brands

Our brands are our most valuable assets. At a brand and product level we are using our imagination to change and inspire the way consumers enjoy tea and coffee around the world and are applying this passion and insight to the rest of the beverage category. We are constantly re-imagining our brands in light of the ever-changing consumer and market landscape.

Global Presence

Our products are present in over 70 countries across the globe. We are focused on expanding our global footprint by entering new markets and new channels with great tasting beverages that are also good-for-you.

Innovation

Tata Global Beverages has a strong track record of innovation. From introducing the Tetley round tea bag in UK and launching tea in polypacks in India we have a history of constantly innovating in the beverages category. Today, we have a portfolio of innovative beverages which bring many enjoyable beverage moments to consumers across the globe.

Strategic Alliances

Our strategic alliances help us leverage strengths, broaden our offerings across categories and fast track our growth.

Consolidated performance review

Our 'good-for-you' beverage portfolio



Continuing investment in growing strong brands

Strong brands are the lifeblood of consumer good companies and we take pride in ours. Our brands touch millions across the globe every day. Our focus will be on growing our core brands through innovative and exciting variants while nurturing our regional brands. We invested significantly in brand building initiatives ensuring that our brands retain top-of-the-mind recall with consumers.



Dreams became a reality!

In 2011, Arsenal Tata Tea Jaago Re Soccer Stars crossed a significant milestone by winning the trophy in the under 15 category at the 21st International Soccer festival. This year, over 126 teams from 12 countries contested for the coveted trophy.



Tata Tea continued its dominance in the Indian packaged tea space with volume and value leadership.

As part of the 25-year celebration, Tata Tea launched its 'Soch Badlo' campaign under the brand's Jaago Re platform on www.jaagore.com, against a backdrop of scams and corruption when the morale of the entire country was very low. Tata Tea highlighted India's optimism and urged the average Indian to exercise their constitutional right of voting.

Tata Tea's Soch Badlo campaign received Abby awards, India's most prestigious advertising awards. It received three bronze Abbys in three categories – Brand campaign website, Creative use of Social Media, and Digital Integrated Campaign.

Chakra Gold is one of the leading tea brands in South India that built brand share and equity in a focused manner in the consumer segment as well as the Hot Tea Shop. Its latest campaign was also based on the awakening platform tagged "Don't just open your eyes... Open up your mind too!" The campaign was very successful – we emerged as the leading



brand in Andhra Pradesh, and gained market share in Tamil Nadu. During the festive season, special festive packs were launched with an opportunity to win 2 gm gold coins for participating in a slogan content which received an overwhelming consumer response.

Way to go...

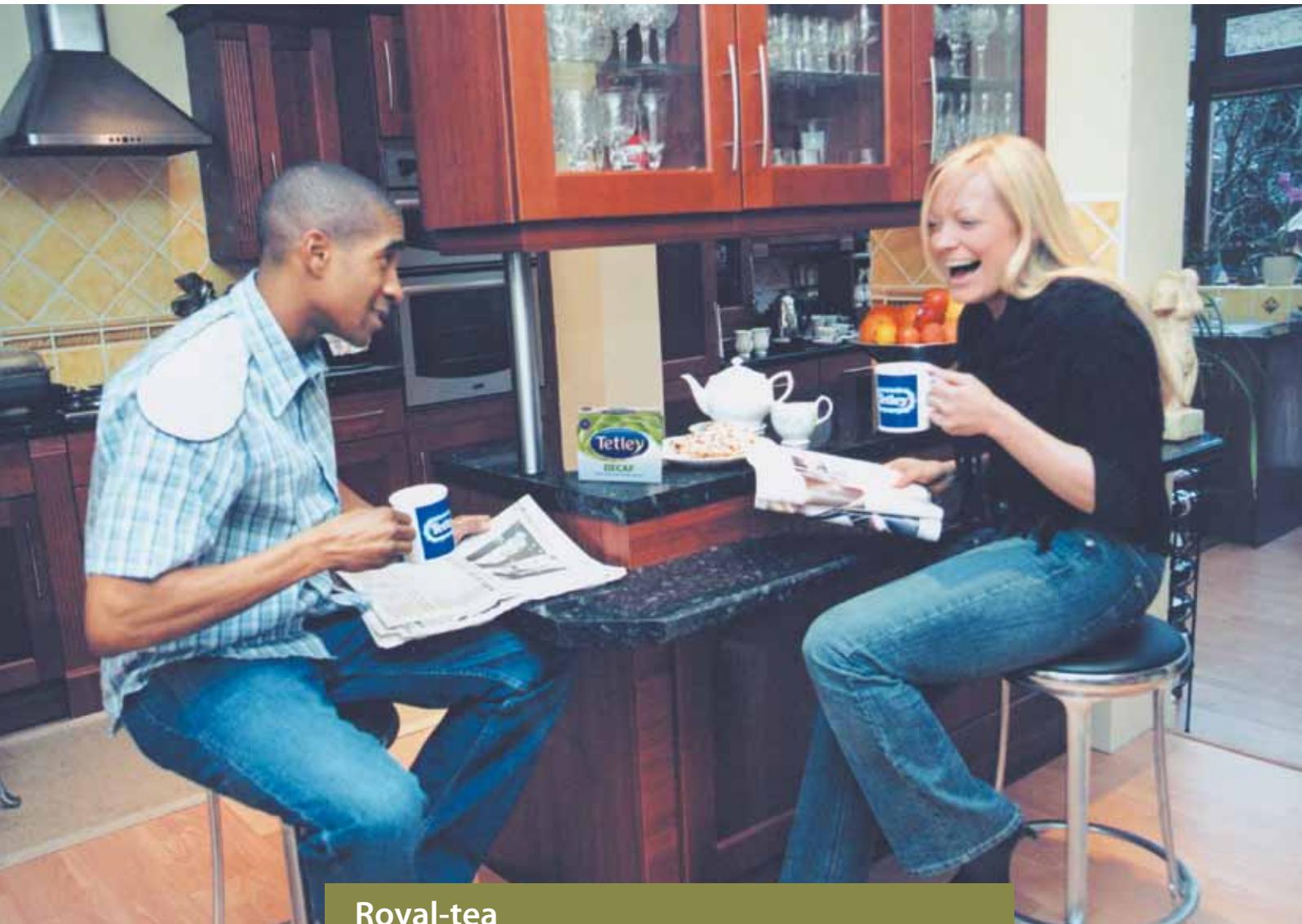
Tata Tea was the first to offer garden fresh tea in 1985 with polypacking, and kept on innovating in each market segment. It has now become a way of life for its consumers. More than 120 million cups of Tata Tea are consumed everyday in India.



Consolidated performance review

Our 'good-for-you' beverage portfolio

continued



Royal-tea

To celebrate the Queen's 60 years on the throne, Tetley introduced limited edition Commemorative Street Party Tea Bags. The bags were launched with a selection of pictures where 'Her Royal Highness' was shown giving a giant Tetley tea bag the royal seal of approval. Only 60 of these tea bags were made available via the Tetley Facebook page where Tetley fans in the UK got the chance to win their own limited edition tea bag.





The first packs of Tetley Rooibos to carry the Rainforest Alliance Certified™ seal hit supermarket shelves in the UK and Europe.

Tetley maintained its dominance in the UK markets as consumer preference for the brand strengthened. It enjoyed leadership in the decaffeinated and Redbush segments, gaining market share and widening the difference with competition; it also achieved leadership position in the green tea segment – positioning the Tetley brand as the No. 2 brand in the UK.

Three new exciting variants of Tetley Green Tea were launched in India – cinnamon and honey, citrus and spice, and aloe vera in leading high-end retail outlets and supermarkets in metros and key cities.

The Company partnered with its Portuguese distributor, Delta, to launch a new business venture to create a range of Tetley branded infusions, that complement their new Delta Q coffee pod machines and coffee range. The new capsule-based Tetley tea pods were launched in three different varieties: Relax (camomile and peach), Delight (Rooibos strawberry and vanilla), and Refresh (ginger mint).

It is the first time that Tetley transferred their tea expertise and heritage to the capsule system in an effort to connect with consumers and respond to their needs and habits which will go a long way in increasing Tetley's 21% market share in Portugal's hot tea retail market.

Taking the Tea Folk association a step further, Tetley launched Gaffer shaped (one of the best loved Tea Folk characters) biscuits, which are available in three flavours – choco chip, golden crunch, and ginger.



The Tata Tetley Division received the OHSAS certification from the DNV – to emerge as one of the first units in South Asia to receive the coveted certification.



Tetley Cold brings your water to life

After a successful launch in Switzerland in summer (2011), we launched Tetley Cold in a brand new flavour - Lemon & Lime will be hitting the shelves in Switzerland and Portugal this summer (2012).

Consolidated performance review



Our 'good-for-you' beverage portfolio

continued



Good Earth, Premium teas centered on "generous abundance", continued to expand volumes with the launch of a tea range in Canada and a new Superfruity range extension in the UK. The Company partnered with General Mills, one of the world's largest food companies, to launch a range of ready meals in the US with considerable success.



Eight O'Clock, renowned for 'brewing memories for generations' generated sizeable volumes with the redesigned packaging, one of the most significant initiatives in the last decade which strengthened the brand recall among discerning consumers. The brand also featured as one of America's Greatest Brands in 2010.



Jemca, is an established and deeply entrenched beverage brand in the Czech Republic with a strong portfolio of black, green, and fruit and herbal teas. It enjoys a dominant share in tough market conditions known for high competition intensity. Jemca's most premium range is Viva, positioned as an "everyday delight" and supported by a social media campaign, offering consumers the chance to interact more closely with the brand on Facebook and the Company's website.



Himalayan, a premium 'lifestyle' mineral water brand continued to draw consumer attention reflected in its pan-India reach in less than two years of its launch resulting in surging volumes.



Grand, is one of Russia's leading beverage brands known for its great value tea and coffee products. Grand coffee was re-launched in 2010 with new packaging and an eye-catching advertising campaign highlighting the brand's "Charming Aroma"

It also continues to invest in its brand portfolio and drive penetration into the highly competitive Russian tea and coffee market.



Vitax, a well-established brand in Poland, has a significant market share in the fruit tea segment. Consumer preference towards Vitax is primarily due to its originally flavoured fruit and herbal teas, blending high-quality ingredients. Its extension into Superfruit teas, blends of local and exotic fruits, strengthened its preference over competing products.

The new brand identity launched in 2011 is expected to strengthen affinity with the consumers.



Laager, this brand is managed by Joekels Tea Packers (Pty) – blenders and packers of South Africa's most popular household quality tea brands including Phendula Tips, Tea Time, Tea for Me, Phendula TEA4KIDZ, Laager Rooibos and strong regional tea brands namely Teeco Tea, Tea Break, and Southalls Rooibos. Joekels is the dominant player in black tea despite strong competition.



Tetley Chai Latte

Tetley Chai Latte, an exciting new product competing with both coffee and tea, was recently launched in Australia and is already achieving outstanding results!

The Tetley Chai Latte range includes three flavours – classic, vanilla, and berry – and beat the current market leader comprehensively in blind taste tests, with 79% of consumers preferring the Tetley product.

One of the main ways the Tetley Chai Latte range differs from its main competitors is by using real spices. Chai Latte isn't high in caffeine and is gaining popularity in developed markets, where it competes predominantly with powdered milk coffees and hot chocolates.

Chai Latte is a high-growth, high-revenue per-serving category and this pioneering new launch repositions the Tetley brand in Australia as both innovative and consumer-centric.



Tetley Cold

The Tetley brand recently launched 'Tetley Cold' in the Swiss market offering consumers a innovative way to flavour water with refreshing fruit infusions specially created to brew in cold water.

Tetley Cold is naturally caffeine-free with no added sugar or artificial sweeteners and only 4 calories per serving (200ml). The new refreshing cold tea format is available in two variants – blueberry and strawberry, and raspberry and strawberry. It was launched through Migros, Switzerland's largest supermarket chain as a limited summer edition.

Expanding our portfolio



Tetley Blend of Both

The full-flavoured everyday tea tastes just like the standard cuppa, with all the natural benefits of green tea which contains fluoride that contributes to teeth maintenance. The product idea came from our consumers who appreciate the goodness of green tea but avoid consuming it because they dislike the taste. 'Blend of Both' combines the benefits of both – the goodness of green tea with the taste of regular tea.



Grand Aroma Coffee

Grand began the New Year (2012) with the launch of Aroma De Brasil – Brazilian coffee that is very popular in Russia. The Company forged an alliance with Pan Foods, a notable supplier for Brazil. The Aroma de Brasil packaging is of a deep dark green colour and its high quality is consistent with Grand's other products. The product received an overwhelming response from consumers.



Tata Water Plus

NourishCo announced the launch of Tata Water Plus – India's first nutrient water. With this product, the Company is set to disrupt the hydration category in India by delivering enhanced wellness through innovative and affordable ready-to-drink beverages.

Tata Water Plus is the only water of its kind in India. Tata Water Plus is nutritionally rich and goes beyond quenching thirst to promote everyday good health. In its launch phase, Tata Water Plus will be available in two variants – Zinc and Chromium – elements that strengthen immunity and improve overall health. The product received encouraging consumer response.



Tata Gluco+

NourishCo launched Tata Gluco+, a lemon flavored drink which contains glucose, electrolytes and iron that provides instant energy and refreshment to consumers. Conceived as an affordable on-the-go re-hydration solution, the product is targeted at the mass consumer segment. The breakthrough of the product was the convenient 200ml cup that ensured product quality at the low price point without compromising on taste or aroma. The launch was supported by large scale sampling activities in other states and sizeable investment in branding activities.



Tea Veda

Rising disposable incomes and exposure to global trends induces Indian consumer aspirations for high-end and premium products. To cater to this demand, Tata Global Beverages launched Tea Veda, its first foray into the luxury tea segment in India. This will be one of the first high-end Tata badged tea brands.

The Company launched Tea Veda in six variants – three single origin and three spiced variants. While the single origin variants comprise single variety teas such as Darjeeling, Assam and Nilgiris, the spiced variants are cardamom, masala, and ginger.

The launch of this brand promises to alter the nascent super-premium tea market. Tea Veda will be showcased through select modern trade stores and select high-end boutique food stores.

Sustainability



Rainforest Alliance

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

The global sustainability team continues to work towards embedding sustainability across the business to create a competitive advantage and long-term value through a sustainable business model that delivers stronger brands, future-proofed supply chains and a licence to operate.

The strategy for 2011-12 was to focus on activities with the potential to move the 'centre of gravity for implementation' from the global sustainability team to regional and functional teams across the business.

For external stakeholder engagement, selected opportunities were leveraged to uplift the Company's profile in the sustainability space through the following:

- The team exhibiting at a House of Lords event in London

- Media coverage of the Tetley Rainforest Alliance collaboration

- Discussions with potential new customers which had hitherto been impossible due to a lack of a sustainable certification mark for Tetley

The Company's sustainability agenda focused on certain core areas under which a number of activities were undertaken.

Ethical sourcing

Our Rainforest Alliance collaboration remained on track. The first packs of black tea carrying the Rainforest Alliance Certified™ seal was launched in the UK, Europe and Canada. The first packs of redbush tea were also launched in key markets. We are the first Company to

Sustainability

continued



launch certified redbush tea. The Group's certification programme continues in line with priorities and we are planning for the next phase of product launches.

We continue to be active members 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. Two Tata Global Beverages ETP Board members are actively involved in guiding the development of the partnership's supply chain assurance and producer support programmes.

As a proactive corporate towards long-term sustainability, we participated in a second EHIA meeting (European Herbal Infusions Association) to discuss ethical issues in global fruit and herbal infusion supply chains; we also participated in a cross industry consultation on the future sustainability of the tea sector and the tea value chain, led by Forum for the Future.

Packaging

"We will ensure that no packaging needs to go to landfills by 2015."

The articulated goal for the packaging team is to showcase our concern for the environment. In line with this goal,

we made significant progress towards developing sustainable packaging solutions. The priority for sustainable packaging is now focused on addressing the needs of our key innovation projects.

Climate change

The measurement of our corporate carbon footprint was completed and our first submission to the CDP (Carbon Disclosure Project) was made in 2011. We achieved sixth place in the Carbon Disclosure Leadership Index (CDLI) in India, the only consumer staples company to be ranked in the top 10. Work is now underway to complete the 2012 submission.

Additionally, through the ETP, we are engaged in several climate change projects that seek to understand the impact of climate change on key tea producing regions and to work with producers to enable them to mitigate and adapt to the effects of climate change.

Stakeholder engagement

Farmers' First Hand, an innovative social media campaign launched to support the Rainforest Alliance collaboration, continues successfully. Fan numbers surpassed 20,700. The initiative was long listed for the Guardian Sustainable Business Awards

and was selected for the regional finals of Tata Innovista. This project, along with the Eaglescliffe factory initiative, were included in the Tata Corporate Sustainability in the UK booklet.

Community investment

We provided support to CARE International, a global humanitarian organisation working to end world poverty in over 80 countries globally; funds were directed towards water and sanitation projects. Our support to KIVA continues as micro loans are repaid and in turn re-lent to entrepreneurs in rural communities worldwide.

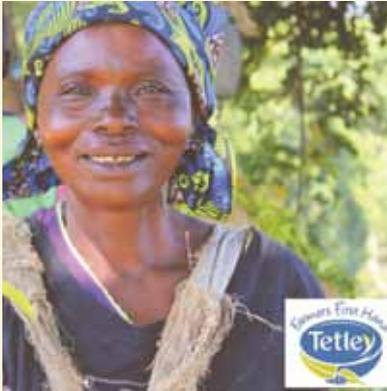
Affirmative action

The Tata Group had a clear focus and strategic approach towards driving Affirmative Action (AA) across companies in the Group – an initiative which will be driven from the Chairman's Office. Affirmative Action, in the context of Indian industry, covers initiatives by companies in employment, employability, entrepreneurship and education for members of the Scheduled Castes and Scheduled Tribes. We constituted the Affirmative Action Committee to take forward the AA initiatives.

Another first for Tata Global Beverages

Tetley Rooibos packs carrying the Rainforest Alliance Certified™ seal and containing 100% certified content were launched in other Tetley markets. This launch marks another major milestone in the journey to becoming a more sustainable brand for Tetley and is a first for the global tea sector. All Tetley branded black, green and red tea, including flavoured and decaffeinated varieties, are part of the certification programme with the Rainforest Alliance.

Our Tetley commitment means that the number of cups of tea from Rainforest Alliance Certified™ farms will increase to circa 100 million in the UK. Supporting farms to become Rainforest Alliance Certified™ benefits our business, the tea estates and the tea pickers we work with.



A social media campaign gives tea drinkers the chance to learn how and where tea is grown from the producers themselves

A social media campaign, connecting tea drinkers with tea producers worldwide, is bringing to life the image of the smiling farmer so often seen on ethically sourced brands.

Farmers First Hand was launched as part of Tata Global Beverages' commitment to source 100% of the tea for our Tetley brand from Rainforest Alliance-certified farms by 2016.

All Tetley branded black, green and red teas are included in the certification process with an extensive programme of work on the ground, such as training over 82,000 smallholder farmers,

underway in all major tea growing regions.

To communicate our work with The Rainforest Alliance and other certification schemes, we adopted a unique approach. We decided to give consumers the chance to hear how and where the tea they drink is grown firsthand, from some of the producers who grow and pick it.

We used a Facebook page as the campaign's main communication channel. We recruited a group of smallholder farmers and estate workers working towards Rainforest Alliance certification in Malawi to form the Farmers First Hand panel.

Everyday, members of the panel use mobile phones to update the Facebook page with aspects of their daily working, family and social lives as well as community and cultural events. They share pictures and videos on the page, giving people a chance to experience a smallholder or estate worker's journey towards certification. In turn, Facebook fans comment or ask questions that farmers can respond to.

This unique Farmers First Hand initiative

provides the following benefits:

- Enables a two-way conversation between tea growers and drinkers
- Gives consumers valuable insight into life on a tea estate and the positive impact of certification on farming and community life
- Increases awareness of tea sourcing and sustainability issues
- Highlights the value to the certification seal on tea packs – including Tetley packs



People



People represent the foundation of our competitive edge. Since inception, we consistently aggregated competencies from diverse cultures, educational backgrounds and domain experience with a singular objective: to accelerate growth – personal and corporate.

We reinforced this focus through a range of training programmes extending from technical skills to holistic personality development, creating an entrepreneurial mindset and encouraging individuals to tread the road less travelled.

Our culturally-diverse, young and energetic team sustains organisational momentum through lateral thinking and extensive use of cutting-edge technology.

As we worked towards reorganising our organisation design, we maintained a strong focus on attracting and nurturing talent and developing capabilities to prepare us for future growth. Our newly-developed Organisation Resource Review (ORR) process facilitated the Company

in identifying critical roles and key talent in order to align the organisation design, development and succession planning.

We continued our emphasis on culture change and employee engagement in order to transform the business from both an emotional and rational perspective.

Our second wave of Culture Champions launched a plethora of fresh initiatives to cement our directional themes.

During the year, we introduced our best-in-class HR Information System which significantly improved a number of key HR processes. The system ensured consistency across employee records for informed decision making. It accelerated our compensation management processes and provided effective systems back up to our performance architecture processes.

The regional HR teams continue to drive the business forward by implementing the strategic HR processes and practices. The major achievements at the regional level

comprised the following:

- Launch of a sales transformation programme with the South India sales force
- Introduced flexible working arrangements, an employee assistance programme and online library services in South Asia
- Our Eaglescliffe tea-packing factory in north-east England won the large employer category at the National Training Awards
- Significant progress resulting from an operational leadership development programme at Landover, our coffee roasting facility in Maryland
- Commenced Project Sochi, to integrate our Russian business into the wider Tata Global Beverages family

Board of Directors



1 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 Industries Ltd., Tata Steel Ltd., Tata Motors Ltd., Tata Consultancy Services Ltd., The Tata Power Company Ltd., Tata Chemicals Ltd. and The Indian Hotels Co. Ltd. He also heads the Tata Trusts. He joined the Tata Group in 1962.

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

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

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.

2 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. Krishna Kumar is 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.

3 Mr. Cyrus P Mistry

Mr. Cyrus Mistry is a graduate of Civil Engineering from Imperial College, UK and has a M.Sc. in Management from London Business School. He has been associated with the Shapoorji Pallonji Group since 1994. Under Mr. Mistry's guidance, Shapoorji Pallonji's construction business has grown from a turnover of US \$20 million to approximately US \$1.5 billion with presence in over 10 countries. He joined the Board of Tata Sons Limited in 2006 and is presently the Executive Deputy Chairman. He is on the Boards of Tata Industries Limited, The Tata Power Company Limited, Tata Consultancy Services Limited, Tata Teleservices Limited, Tata Steel Limited, Tata Motors Limited and Tata Chemicals Limited.

4 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.

Management and governance

Board of Directors

continued



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5 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 JSW Ispat Steel Limited.

6 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 18th August 2003 and continued in that position till 17th 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.

7 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 25th 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.

8 Mr. V Leeladhar

Mr. V Leeladhar has 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 in 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.



9

9 Mrs. Mallika Srinivasan

Mrs Mallika Srinivasan is the Chairman & Chief Executive Officer of Tractors and Farm Equipment Limited, a flagship company of the Amalgamations Group. A thought leader and strategist, recognized 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 recognized 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.

10 Mr. Analjit Singh

Mr. Analjit Singh is the Chairman of Max India Ltd as well as its subsidiaries Max Life Insurance Company Ltd., Max Healthcare Institute Ltd and Max Bupa Health Insurance Company Ltd. He has been the driving force behind the Group's sustained growth and success since its inception. He was conferred the prestigious Padma Bhushan by the Government of India in 2011 and awarded the Ernst & Young Entrepreneur of the Year – Services for 2011.

Mr. Analjit Singh is a member of the Prime Minister's Joint Indo-US CEOs Forum. He is non-executive Chairman of Vodafone India and is a Director on the board of some leading companies such as Hero MotoCorp Ltd., Dabur India and Sofina NV/ SA, Belgium. He is also the Chairman of CII's National Committee on Insurance & Pension. Mr. Analjit Singh is actively involved in governing several educational institutes of prominence as Executive board Member



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11 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 & 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 & private sector undertakings on various aspects concerning Management, Leadership, Issues relating to Human Resource Management etc.

12 Mr. Darius Pandole

Mr. Darius Pandole has joined the Board of Tata Global Beverages Limited as an Independent Director. Mr. Pandole holds a BA (Economics) degree from Harvard (1988) and an MBA from the University of Chicago (1992). He is a Partner at New Silk Route Advisors Pvt. Ltd, a private equity firm focused on investing in India and other Asian economies. Mr. Pandole had earlier worked with Kraft General Foods in the US and returned to India in 1993 and managed the operations of his family owned soft drinks business, Duke and Sons Limited, which was a market leader in Western India. He served as Managing Director of IndAsia Fund Advisors Pvt. Ltd., the Indian advisor to the AMP-IndAsia India Fund – a private equity fund established in partnership with AMP



12

Management and governance

Board of Directors

continued



13



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of Australia. Mr. Pandole joined IDFC PE Ltd. in February 2003, and was the Executive Director, and later Chief Operating Officer. Mr. Pandole is currently an elected member of the Executive Committee of the Indian Private Equity and Venture Capital Association.

13 Mr. P T Sigantoria,

Managing Director (upto 30th June 2012)

Mr. P T Sigantoria graduated from Loyola College, Madras and obtained a PGDBM in Marketing from XLRI, Jamshedpur. He joined the Tata Administrative Service in 1974. He joined the Company in 1975 and held several important positions during his tenure. His tenure included responsibilities in Sales & Marketing in the Packet Tea Division, Kolkata and recently in the Executive Office, London. He successfully led critical change initiatives across Tata Global Beverages and has played a key role in Tata Global Beverages' transformation from its heritage in tea plantations in India to a growing global organisation with a portfolio of strong and dynamic brands. Mr. Sigantoria retired on 30th June 2012 after 38 years of distinguished service in the Tata Group.

14 Mr. Harish Bhat, *Managing Director (from 1st July 2012)*

Mr. Harish Bhat has been appointed CEO and Managing Director of Tata Global Beverages Limited with effect from 1st July 2012. Mr. Bhat took over from Mr. P.T. Sigantoria, who retired on 30th June 2012. Mr. Harish Bhat holds a Post Graduate Diploma in Management (PGDM) from the Indian Institute of Management, Ahmedabad, where he was ranked first in the graduating class, winning the IIMA Gold Medal for Scholastic Excellence. He also holds a B.E. (Hons.) degree in Electrical and Electronics Engineering from the Birla Institute of Technology and Science, Pilani. He joined the Tata Administrative Service (TAS) in 1987, and has

worked for 25 years with various companies in the Tata Group. He was previously with Tata Tea Limited from 1988 to 2000, during which period he held several senior roles in sales, marketing and as business head. Most recently, he was with Titan Industries Limited as Chief Operating Officer of the Watches and Accessories Division, where he led the world's fifth largest watches business with distinction. Mr. Bhat was also awarded the British Chevening Scholarship for Young Managers by the Government of the United Kingdom in 1997. He is a prolific writer, and has keen professional interest in business strategy, economics and consumer behavior.

15 Mr. Ajoy Misra, *Executive Director*

In a career spanning 31 years, all with the Tata Group, Mr. Ajoy Misra has worked in various departments of Taj Hotels from Sales and Marketing to Operations. He joined the Taj in 1980 in the Corporate Sales and Marketing Department through the Tata Administrative Services. He has a Bachelors Degree in Civil Engineering from BITS, Pilani and went on to do a Masters Degree in Business Administration in 1980, from the Faculty of Management Studies, Delhi University specialising in Marketing. He has also completed the Advanced Management Program at Harvard Business School in 2008. From 1992 –97, he was the General Manager of Taj President Hotel in Mumbai and for a year in 1997-1998 was in Sri Lanka as Area Director – Sri Lanka and Maldives and General Manager of the Taj Samudra Hotel in Colombo.

He joined Tata Global Beverages Limited as Executive Director with effect from 1st December, 2011 and is also the Deputy CEO of the Tata Global Beverages Group (TGB). Before joining TGB, he was the Senior Vice President, Sales and Marketing of the Taj Group of Hotels worldwide.

He is also on the Board of Mount Everest Mineral Water Limited and NourishCo Beverages Limited.

Executive management



Tata Global Beverages is overseen by an Executive team which operates under the overall supervision and direction of the board of Tata Global Beverages. 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.



Mr. Harish Bhat, *CEO and Managing Director*

Mr. Harish Bhat has been appointed CEO and Managing Director of Tata Global Beverages Limited with effect from 1st July 2012. Mr. Bhat took over from Mr. P.T. Siganporia, who retired on 30th June 2012. Mr. Harish Bhat holds a Post Graduate Diploma in Management (PGDM) from the Indian Institute of Management, Ahmedabad, where he was ranked first in the graduating class, winning the IIMA Gold Medal for Scholastic Excellence. He also holds a B.E. (Hons.) degree in Electrical and Electronics Engineering from the Birla Institute of Technology and Science, Pilani. He joined the Tata Administrative Service (TAS) in 1987, and has worked for 25 years with various companies in the Tata Group. He was previously with Tata Tea Limited from 1988 to 2000, during which period he held several senior roles in sales, marketing and as business head. Most recently, he was with Titan Industries Limited as Chief Operating Officer of the Watches and Accessories Division, where he led the world's fifth largest watches business with distinction. Mr. Bhat was also awarded the British Chevening Scholarship for Young Managers by the Government of the United Kingdom in 1997. He is a prolific writer, and has keen professional interest in business strategy, economics and consumer behavior.



Mr. Ajoy Misra, *Deputy CEO and Executive Director*

In a career spanning 31 years, all with the Tata Group, Mr. Ajoy Misra has worked in various departments of Taj Hotels from Sales and Marketing to Operations. He joined the Taj in 1980 in the Corporate Sales and Marketing Department through the Tata Administrative Services. He has a Bachelors Degree in Civil Engineering from BITS, Pilani and went on to do a Masters Degree in Business Administration in 1980, from the Faculty of Management Studies, Delhi University specialising in Marketing. He has also done the Advanced Management Program at Harvard Business School in 2008. From 1992 –97, he was the General Manager of Taj President Hotel in Mumbai and for a year in 1997-1998 was in Sri Lanka as Area Director – Sri Lanka and Maldives and General Manager of the Taj Samudra Hotel in Colombo.

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He is also on the Board of Mount Everest Mineral Water Limited and NourishCo Beverages Limited.

Management and governance

Executive management

continued



Mr. 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.



Mr. 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.



Mr. Stephen Rice, *Regional President, CAA*

Prior to joining Tetley Canada in 2000 as Marketing Manager, Steve worked for 11 years in FMCG companies with a primary focus on marketing along with experience in financial analysis, sales and operations planning and sales management. Experience included working on high profile consumer brands such as Minute Maid, Welch's, Mott's and Cadbury.

While successfully driving growth, innovation and branding programs, Steve progressed and expanded his responsibilities and geographic accountabilities. In 2003, was promoted to Vice-President of Marketing for Canada and in 2005 appointed to Senior Vice-President of Sales & Marketing. The role further broadened with being named President for Canada in 2007 and President of Canada and South America in 2008 reporting to the Group CEO. As Tata Global Beverages further integrated its beverage operation and ambition for growth, he was appointed as Regional President for Canada, Australia and South America. Steve joined the Executive board in July 2011 and is now responsible for the CAA Region which includes Canada, America, Australia and South America.

In addition, Steve is on 8 Tata Global Beverage boards as well as the Board for Activate.



Mr. Nigel Holland, *Regional President, EMEA*

Before joining the Tetley Group in 1998 as Marketing Controller, Nigel worked for 10 years in FMCG consumer marketing positions growing well known brands in organisations like Scottish & Newcastle Breweries, Kraft Jacobs Suchard and Boots Healthcare International.

Whilst at the Tetley Group, Nigel progressed up the marketing career ladder becoming Marketing Director in 1999. In 2002 he was appointed Commercial Director for the UK business and over the next 6 years broadened his role, assuming responsibility for the Tetley Western Europe and Australia business units, in addition to the UK.

He was appointed to his Regional President UK & Africa in June 2008 reporting into the Group CEO – in the newly created \$1bn Tata Global Beverage organisation.

Nigel joined the Executive board in July 2011 and is now responsible for UK, Russia, Europe, the Middle East & Africa as Regional President EMEA.

Additionally, Nigel is on seven Tata Global Beverage boards as well as an Executive Director of the UK Tea Council.

Nigel has a degree in Economics and an MBA.



Mr. Sanjiv Sarin, *Regional President, South Asia*

Sanjiv Sarin is Regional President for South Asia, Tata Global Beverages. He has been part of the Tata Global Beverages' integration and transformation journey from its start. Prior to this, Sanjiv was Regional President for the Asia Pacific region and led a number of key projects within the business. Before joining Tata Global Beverages, he worked with a number of other international organisations, including a significant period leading teams at Cadbury Schweppes in the Philippines, Egypt, India and the UK. Sanjiv is based at the Tata Global Beverages Bangalore office.



Mr. Hamid Huq, *Managing Director, Tata Coffee*

Mr. Hameed Huq started his career with Tata Tea in the Plantations in 1972 and was posted in Assam. In 1986 he was transferred to the Head Office in Kolkata to oversee the tea estates in Assam and Doars.

Mr. Huq has held various senior positions in the company both in India as well as abroad. He was posted in Sri Lanka from 1994 to 1998 as CEO of our Plantation companies.

He joined Tata Coffee Ltd. as Vice President in September 1999.

Mr. Hameed Huq was appointed as Managing Director of Tata Coffee Limited with effect from 3rd January 2010.

Management and governance

Executive management

continued

**Mr. Pradeep Poddar**, *Managing Director, MEMW*

Mr. Pradeep Poddar is a Chemical Engineer from UDCT, Mumbai and an MBA from IIM, Ahmedabad. He is a veteran of the consumer goods industry in India and has vast experience in top-level management in Glaxo, Heinz and Tatas. The Wisitex Foundation and Karnataka Government conferred on him the Udyog Ratna Award in the year 2001 for his distinguished contribution to the food industry. He crafted the vision and led Heinz successfully in India and South Asia for nearly a decade. He is presently the Managing Director of Mount Everest Mineral Water Limited – a Tata Enterprise, the makers of Himalayan, the natural mineral water and he is leading the Tatas foray into Water and Functional Beverages globally. He is an active member on the Boards of NourishCo – the Joint Venture Company with PepsiCo and Tata and Rising Beverage Company (Activate drinks) in Los Angeles. He is also a trustee on the Board of United Way, Mumbai and has been playing a strategic role on the Board of Monsanto India from January 2006.

**Mr. Vish Govindasamy**, *CEO, Watawala Plantations*

Mr. Vish Govindasamy is currently with Watawala Plantations Limited, Sri Lanka as its Chief Executive Officer. Watawala is the only Plantation Company in Sri Lanka which manages tea estates in all three elevations; Low, Medium and High Grown. Watawala also owns the primary Oil Palm Processing Plant in Sri Lanka. The Company which produces, Zesta, the popular Tea brand now in Sri Lanka with a 32% market share was a brain child of Mr. Govindasamy. He has also ventured into many new businesses for the Group. A retail pharmacy chain named Healthguard Pharmacy, with 25 stores Island-wide, is first of a kind in Sri Lanka.

Mr. Govindasamy has immense recognition for astute decision making and holds key positions in Sri Lanka's Elite Business Conglomerates. He is:

- President, Sri Lanka Chamber of the Pharmaceutical Industry (SLCPI)
- President, Indo-Lanka Chamber of Commerce.
- Vice Chairman, Ceylon Tea Traders' Association (CTTA)
- Committee Member, Ceylon Chamber of Commerce (CCC).

Mr. Govindasamy travels extensively around the world to raise the Company's / Country's profile in various Global Forums. He managed a key role in the Ceylon Tea Convention held in the year 2012. He has represented the Company in the US, UK, New Zealand, Australia, Russia, Middle-East, Malaysia, Indonesia, Hong Kong, India & Ghana.

He was previously working as Assistant Vice President for Budget & Financial Analysis in the USA and gained multifaceted high level experience during the eight years of tenure with University of Hartford, USA.

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 (*upto 26.11.2011*)
Cyrus P Mistry (*w.e.f.22.6.2012*)
Darius Pandole (*w.e.f.22.6.2012*)
P D Unsworth (*up to 30.6.2011*)
P T Siganporia (*Managing Director*) (*upto 30.6.2012*)
Harish Bhat (*Managing Director w.e.f. 1.7.2012*)
Ajoy Misra (*Wholtime Director w.e.f. 1.12.2011*)

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 J L Nehru Road,
Kolkata – 700 071.
Telephone: 033-22883037
Fax: 033-22883062

Auditors

N M Rajji & Co.
Lovelock & Lewes

Bankers

AXIS Bank Limited
Bank of America
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

J S Bilimoria (*Chairman*)
R K Krishna Kumar
U M Rao
V Leeladhar
A R Gandhi
Ranjana Kumar (*Mrs.*)

Shareholders'/Investors' Grievance Committee

F K Kavarana (*Chairman*)
U M Rao
V Leeladhar

Remuneration Committee

Ranjana Kumar (*Mrs.*) (*Chairman*)
R K Krishna Kumar
U M Rao
J S Bilimoria
V Leeladhar
A R Gandhi

Executive Committee

R N Tata (*Chairman*)
R K Krishna Kumar
U M Rao
Cyrus P Mistry
Managing Director, Executive Directors & Group CFO
Managing Director/Executive Directors of Indian Subsidiaries

Nomination Committee

R N Tata (*Chairman*)
R K Krishna Kumar
Cyrus P Mistry
F K Kavarana
A R Gandhi

Ethics and Compliance Committee

F K Kavarana (*Chairman*)
V Leeladhar
Harish Bhat

Corporate Sustainability Reporting Committee

U M Rao (*Chairman*)
Prof. S Parasuraman (*Expert Member*)
Harish Bhat

Notice



Notice is hereby given that the Forty-Ninth Annual General Meeting of the Members of Tata Global Beverages Limited will be held at The Oberoi Grand, 15 Jawaharlal Nehru Road, Kolkata - 700013 on Friday, 31st August 2012, at 10.30 a.m. to transact the following businesses:

Ordinary business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2012, the Statement of Profit and Loss for the year ended on that date together with the reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Analjit Singh who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. V Leeladhar who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Mr. U M Rao who retires by rotation and is eligible for reappointment.
6. To appoint auditors and fix their remuneration.

Special business:

7. Appointment of Mr. Cyrus Mistry as a Director of the Company

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

"RESOLVED that Mr. Cyrus Mistry, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 22nd June, 2012, and who holds office up to the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and he is hereby appointed a Director of the Company."

8. Appointment of Mr. Darius Pandole as a Director of the Company

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

"RESOLVED that Mr. Darius Pandole who was appointed by the Board of Directors as an Additional Director of the Company with effect from 22nd June, 2012, and who holds office up to the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and he is hereby appointed a Director of the Company."

9. Appointment of Mr. Ajoy Misra as a Director of the Company

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

"RESOLVED that Mr. Ajoy Misra who was appointed by the Board of Directors as an Additional Director of the Company with effect from 1st December, 2011, and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and he is hereby appointed a Director of the Company."

10. Appointment and remuneration of Wholetime Executive Director

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

"RESOLVED that in accordance with the provisions of Sections 198, 269, 309, 310 and 311 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the Company hereby approves the appointment and terms of remuneration of

Mr. Ajoy Misra who was appointed by the Board of Directors as a Wholtime Executive Director of the Company for a period of five years with effect from 1st December, 2011 upon the terms and conditions set out in the draft Agreement between the Company and Mr. Ajoy Misra, 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/or agreement in such manner and to such extent as may be agreed between the Board of Directors and Mr. Ajoy Misra so as not to exceed the limits set out in Schedule XIII of the Companies Act, 1956 including any amendments thereto”.

11. Approval of payment of remuneration to Mr. Ajoy Misra 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. Ajoy Misra, Executive 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, UK from 1st December, 2011 to 30th November, 2016 as a Director on a basic salary in the region of £ 175,000 to £ 181,125 per annum as reduced by the remuneration payable to Mr. Ajoy Misra by Tata Global Beverages Limited in accordance with resolution at Item No. 10 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 from time to time.”

12. Appointment of Mr. Harish Bhat as a Director of the Company

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

“RESOLVED that Mr. Harish Bhat who was appointed by the Board of Directors as an Additional Director of the Company with effect from 1st July 2012, and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 (“the Act”) and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and he is hereby appointed a Director of the Company.”

13. Appointment 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 in accordance with the provisions of Sections 198, 269, 309, 310 and 311 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the Company hereby approves the appointment and remuneration payable to Mr. Harish Bhat who was appointed by the Board of Directors as Managing Director of the Company for a period of 5 years with effect from 1st July 2012, upon the terms and conditions set out in the Agreement between the Company and Mr. Harish Bhat, 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. Harish Bhat so as not to exceed the limits set out in Schedule XIII of the Companies Act, 1956 including any amendments thereto”.

The Register of Members shall remain closed from 11th August 2012 to 31st August 2012, both days inclusive.

Registered Office:
1, Bishop Lefroy Road
Kolkata – 700 020
Date: 29th June, 2012

By Order of the Board



(V MADAN)

Vice-President & Secretary

Notice

continued



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 3rd September 2012, to those members of the Company holding shares in physical form whose names appear on the Register of Members as on 11th August 2012. In respect of shares held in electronic form, the dividend will be paid to the beneficial owners of the shares as on beginning of 11th August 2012 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 digits 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 case of shares held in electronic form. Shareholders may note that the bank details registered against their account in physical form will not be applicable to their electronic account and vice versa. It is in interest of the shareholders to register their bank details against their account and avail of NECS (National Electronic Clearing Service) facility being extended by the Company for receiving dividend payment. The shareholders may please note that under instructions from the Securities and Exchange Board of India, furnishing of bank particulars by the shareholders has become mandatory.
5. Pursuant to Section 205C of the Companies Act, 1956 all unclaimed/unpaid dividend, debenture interest and interest on deposits as well as principal amount of deposits upto 31.3.2012 remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment, have been transferred to the Investors Education & Protection Fund (IEPF) established by the Central Government. Shareholders/debenture holders/depositors may kindly note that the Company is statutorily required to transfer to IEPF all unclaimed/unpaid dividend, debenture interest and principal and interest on deposits remaining unpaid/unclaimed for a period of seven years from the date they became due for payment and once such amounts are transferred to IEPF, no claim of the shareholder/debenture holder/depositor shall lie against the Company or the IEPF. For the information of the shareholders it is hereby notified that the following dividend/interest amounts will be due for transfer to IEPF during the financial year 2012/13:
 - a) Dividend paid on 11th August, 2005 in respect of the financial year 2004/2005
 - b) Interest on fixed deposits paid during 1.4.2005 to 31.3.2006
 - c) Principal amounts on maturity of deposits due during 1.4.2005 to 31.3.2006.

Shareholders/debenture holders/depositors who have not yet encashed their dividend warrants/interest warrants or have not claimed the principal amount of deposit by submitting the discharged fixed deposit receipts are requested to do so immediately. Further details relating to such transfers to IEPF have been given in paragraph 11 of the Corporate Governance Report.

6. Shareholders holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for printing on the face of the dividend warrants. For the safety and interest of the shareholders, it is important that bank account details are correctly provided to the depository participants. The Company or its registrars cannot act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the depository participant of the shareholders. The bank mandate, if any, for shares held in physical form cannot be applied for shares held in electronic form.
7. Shareholders holding shares in physical form are requested to advise any change of address immediately to Company's Registrar and Share Transfer Agents, TSR Darashaw Ltd. Shareholders holding shares in electronic form must advise their respective depository participants about any change in address and not to the Company or the Registrars.

Explanatory statement



Item Nos. 7 and 8

Appointment of Mr. Cyrus Mistry and Mr. Darius Pandole as Directors of the Company

At the Board meeting held on 22nd June 2012, the Board of Directors of the Company (“the Board”) decided to appoint Mr. Cyrus Mistry and Mr. Darius Pandole as Additional Directors of the Company under Section 260 of the Companies Act, 1956 with effect from 22nd June, 2012. Both Mr. Mistry and Mr. Pandole hold office upto the date of the forthcoming Annual General Meeting of the Company.

The Company has received separate notices under Section 257 of the Companies Act, 1956 from the members of the Company informing that at the next Annual General Meeting, the said members would like to propose the appointments of Mr. Mistry and Mr. Pandole as Directors of the Company.

Mr. Cyrus Mistry is a graduate of Civil Engineering from Imperial College, UK and has an M.Sc. in Management from London Business School. He has been associated with the Shapoorji Pallonji Group since 1994. Under Mr. Mistry’s guidance, Shapoorji Pallonji’s construction business has grown from a turnover of US \$20 million to approximately US \$1.5 billion with presence in over 10 countries. He joined the Board of Tata Sons Limited in 2006 and is presently the Executive Deputy Chairman. He is also Director of Tata Industries Limited, The Tata Power Company Limited, Tata Teleservices Limited, Tata Consultancy Services Limited, Tata Motors Limited, Tata Chemicals Limited and Tata Steel Limited.

Mr. Darius Pandole holds a BA (Economics) degree from Harvard (1988) and a MBA from the University of Chicago (1992). He is Partner at New Silk Route Advisors Pvt. Ltd., a private equity firm focused on investing in India and other Asian economies. Mr. Pandole had earlier worked with Kraft General Foods in the US and returned to India in 1993 and managed the operations of his family owned soft drinks business, Duke and Sons Limited, which was a market leader in Western India. He served as Managing Director of IndAsia Fund Advisors Pvt. Ltd., the Indian Advisor to the AMP-IndAsia India Fund – a private equity fund established in partnership with AMP of Australia. Mr. Pandole joined IDFC PE Ltd in February 2003, and was the Executive Director, and later Chief Operating Officer. Mr. Pandole is currently an elected member of the Executive Committee of the Indian Private Equity and Venture Capital Association.

Keeping in view the experience and expertise of Mr. Cyrus Mistry and Mr. Darius Pandole, the Board considers it desirable that the Company should receive the benefit of their valuable experience and advice and accordingly commends the Resolutions at Item Nos. 7 and 8 respectively, for approval by the Members.

Details regarding Mr. Cyrus Mistry and Mr. Darius Pandole have been given in the Annexure attached to the accompanying Notice. Each of 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. Mr. Cyrus Mistry and Mr. Darius Pandole are concerned or interested in the Resolutions of the accompanying Notice relating to their own appointment. No other Directors are interested or concerned in these resolutions.

Item Nos. 9, 10 and 11

Appointment and Remuneration of Mr. Ajoy Misra as Wholetime Executive Director

At a meeting of the Board of Directors of the Company held on 28th October, 2011 the Board decided to appoint Mr. Ajoy Misra as Director and Executive Director of the Company for a period of 5 years from 1st December, 2011 subject to approval of the shareholders.

The Company has received notice under Section 257 of the Companies Act, 1956 from a member of the Company informing that at the next Annual General Meeting, the said member would like to propose the appointment of Mr. Misra as Director of the Company.

As the shareholders are aware Mr. Ajoy Misra spends considerable time and energy in overseeing the operations of the subsidiaries including those located abroad. In addition to his responsibilities as Executive Director of the Company, he is responsible for global manufacturing operations as well as supply chain and related activities as well as supervision of some business regions. Accordingly his

Explanatory statement

continued



remuneration with effect from 1st December, 2011 will be paid in the UK by Tata Global Beverages Group Limited, UK which is a subsidiary of your Company.

As regards Mr. Misra's appointment as Executive Director of the Company, 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 3rd November, 2011, the shareholders were informed about the appointment of Mr. Misra and the remuneration payable to him. Approval of shareholders is now sought for the appointment and remuneration payable to Mr. Ajoy Misra. 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. Misra by an overseas subsidiary in terms of requirements of Section 314 of the Companies Act, 1956 for the period 1st December, 2011 to 30th November, 2016. Resolutions at Item Nos. 9, 10 and 11 are intended for these purposes.

Mr. Ajoy Misra is a B.E. Hons. in Civil Engineering from BITS Pilani and M.B.A. Marketing from Faculty of Management Studies and is a member of Tata Administrative Service (TAS). He has done his Advanced Management Program at Harvard Business School. He has been with the Tata Group for more than 30 years of which 15 years have been in senior management positions.

Remuneration payable by the Company to Mr. Ajoy Misra will comprise of:

- a. **Salary** – Rs. 3,37,356 per month from 1st December 2011 (Rs. 3,75,000 per month with effect from 1st April 2012) in the scale of Rs. 3,00,000/- to Rs. 6,00,000/- per month. The annual increment payable will be due on 1st April each year and will be determined by Board of Directors on the recommendation of the Remuneration Committee.

The Company will contribute to Provident Fund, Superannuation and Gratuity Funds on account of Mr. Misra on the same basis as other employees. Gratuity payable and encashment of leave shall not be included in the computation of limits for remuneration or perquisites as aforesaid.

- b. **Perquisites & Allowances** - The Executive Director will be entitled to such perquisites, benefits and allowances as may be determined by the Board from time to time.
- c. **Minimum Remuneration:** Notwithstanding anything contained 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 minimum remuneration to Mr. Misra by way of salary, benefits, perquisites etc. as specified above.

Mr. Misra will be entitled to leave according to Company's leave rules applicable to its Managing and whole time Directors.

An Agreement would be executed between Mr. Misra and the Company which may be terminated by either party by giving six months' notice from either side.

Other terms of appointment:

- I. Mr. Misra 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 Executive Director may be terminated by the Company without notice or payment of remuneration in lieu of notice:

- a) If the Executive Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate company to which he is required by this agreement to render services, or
 - b) In the event of any serious, repeated or continuing breach (after prior warning) or non-observance by the Executive Director of any of the stipulations contained in the draft agreement to be executed between the Company and Mr. Misra, or
 - c) in the event the Board expresses its loss of confidence in the Executive Director.
- III. Upon the termination of the employment of the Executive Director by whatever means:
- a) The Executive Director shall immediately tender his resignation from all offices held by him in the subsidiaries and associated companies and other entities without claim for compensation for loss of office;
 - b) The Executive Director 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 associated companies.
- IV. If at any time Mr. Misra ceases to be a Director of the Company for any cause whatsoever, he shall also cease to be the Executive Director of the Company.
- V. If at any time, Mr. Misra 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 appointment of Mr. Misra is 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 Executive Director also include 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. Misra 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 AM and 12 Noon and will also be available at the meeting.

Mr. Misra as Director of Tata Global Beverages Group Limited, UK will be receiving with effect from 1st December 2011 a basic salary in the scale of £ 175,000 to £ 181,125 per annum 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. Misra 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. Misra 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. Ajoy Misra has filed with the Company Form DD-A as required under the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003. 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 appointment of Mr. Ajoy Misra as required under Section 302 of the Companies Act, 1956.

The resolutions set out in items 9, 10 and 11 of the Notice are to be considered accordingly and your Directors commend the same for acceptance.

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

Explanatory statement

continued



Item Nos. 12 and 13

Appointment and Remuneration of Mr. Harish Bhat as Managing Director

At a meeting of the Board of Directors of the Company held on 22nd June, 2012 the Board decided to appoint Mr. Harish Bhat as Director and Managing Director of the Company for a period of 5 years from 1st July 2012 subject to approval of the shareholders.

The Company has received notice under Section 257 of the Companies Act, 1956 from a member of the Company informing that at the next Annual General Meeting, the said member would like to propose the appointment of Mr. Bhat as Director of the Company.

By an abstract dated 25th June, 2012, the shareholders were informed about the appointment of Mr. Bhat and the remuneration payable to him.

Mr. Bhat takes over from Mr. P T Siganporia, who retires on 30th June 2012. Mr. Harish Bhat holds a Post Graduate Diploma in Management (PGDM) from the Indian Institute of Management, Ahmedabad, where he was ranked first in the graduating class, winning the IIMA Gold Medal for Scholastic Excellence. He also holds a B.E. (Hons.) degree in Electrical and Electronics Engineering from the Birla Institute of Technology and Science, Pilani. He joined the Tata Administrative Service (TAS) in 1987, and has worked for 25 years with various companies in the Tata Group. He was previously with Tata Tea Limited from 1988 to 2000, during which period he held several senior roles in sales, marketing and as business head. Most recently, he was with Titan Industries Limited as Chief Operating Officer of the Watches and Accessories Division, where he led the world's fifth largest watches business with distinction. Mr. Bhat was also awarded the British Chevening Scholarship for Young Managers by the Government of the United Kingdom in 1997. He is a prolific writer, and has keen professional interest in business strategy, economics and consumer behavior.

The principal terms and conditions of service of Mr. Bhat as contained in the agreement entered into between the Company and Mr. Bhat are as follows:

- a. Period of appointment – From 1st July 2012 for a period of five years
- b. Salary – Rs. 4,25,000/- per month in the scale of Rs. 4,00,000 to Rs. 7,00,000 per month as may be decided by the Board based on the recommendations of the Remuneration Committee with liberty to the Board to decide about the annual increment which will be effective from 1st April every year.
- c. Perquisites & Allowances – Within the overall ceiling of 140% of the annual salary, (55% in case company accommodation is provided). Mr. Bhat would be entitled to the following by way of perquisites in such form and manner as the Board of Directors of the Company may decide :

Furnished accommodation or House Rent Allowance and House Maintenance Allowance in lieu thereof, expenditure on gas, electricity, water and furnishings for the accommodation including maintenance and repair thereof.

Personal Allowance, Leave Travel Allowance for self and family, Medical expenses and medical insurance for self and family, Personal Accident Insurance.

Club fees and such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed by the Board of Directors and Mr. Bhat.

Provision for use of Company's cars and telephones at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating such ceiling.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income Tax Rules wherever applicable and in the absence of any such Rules, perquisites shall be evaluated at actual cost.

The Company will contribute to Provident Fund and Superannuation and Gratuity Funds on account of Mr. Bhat on the same basis as other employees. 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.

Note – Family for this purpose shall mean the spouse, the dependent children and the dependent parents of Mr. Bhat.

- d. Incentive Remuneration – Such amount at the discretion of the Board based on certain performance criteria.
- e. Commission: Such remuneration by way of commission, in addition to salary and perquisites, calculated with reference to the net profits of the Company in a particular financial year, which will be linked to performance as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceiling stipulated in Sections 198 and 309 of the Companies Act, 1956, (“the Act”).
- f. Minimum Remuneration: Notwithstanding anything contained herein, where in any financial year, during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration to Mr. Bhat by way of salary, perquisites, benefits and allowances and incentive remuneration and / or commission as specified above.

Mr. Bhat will be entitled to leave according to Company’s Leave Rules applicable to its Managing Director.

The agreement between the Company and Mr. Harish Bhat 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 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 Managing Director may be terminated by the Company without notice or payment in lieu of notice:
 - a) if the Managing Director 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 Managing Director, of any of the stipulations contained in the agreement executed between the Company and the Managing Director, or
 - c) in the event the Board expresses its loss of confidence in the Managing Director.
- (iii) Upon the termination of the employment of Managing Director by whatever means:
 - (a) the Managing Director 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 Managing Director 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.

Explanatory statement

continued



- (iv) If at any time Mr. Harish Bhat ceases to be a Director of the Company he will forthwith, cease to be the Managing Director of the Company.
- (v) If at any time Mr. Harish Bhat 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 Managing Director 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 Managing Director also include clauses pertaining to adherence to the Tata Code of Conduct, no conflict of interest with the Company and maintenance of confidentiality.

The agreement between the Company and Mr. Harish Bhat 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 AM and 12 noon and will also be available at the meeting.

Mr. Harish Bhat has filed with the Company Form DD-A as required under the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003. 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 appointment of Mr. Harish Bhat as required under Section 302 of the Companies Act, 1956.

The resolutions set out in Items 12 and 13 of the Notice are to be considered accordingly and your Directors commend the same for acceptance.

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

Registered Office:
1, Bishop Lefroy Road
Kolkata – 700 020
Date: 29th June, 2012

By Order of the Board



(V MADAN)

Vice-President & Secretary

Particulars of Directors seeking appointment / reappointment



Name of Director	Mr. Analjit Singh	Mr. V Leeladhar	Mr. U M Rao
Date of birth	11.1.1954	7.12.1946	02.07.1938
Date of appointment	22.10.2008	24.4.2009	01.11.2003
Qualifications	BA, BS, MBA	B. Sc. (Engg.)	B. Com.
Number of shares held in the Company	Nil	Nil	Nil
Expertise in specific functional area	<p>Mr. Analjit Singh is the Chairman of Max India Ltd as well as its subsidiaries Max Life Insurance Company Ltd., Max Healthcare Institute Ltd and Max Bupa Health Insurance Company Ltd. He has been the driving force behind the Group's sustained growth and success since its inception. He was conferred the prestigious Padma Bhushan by the Government of India in 2011 and awarded the Ernst & Young, Entrepreneur of the Year – Services for 2011.</p> <p>Mr. Analjit Singh is a member of the Prime Minister's Joint Indo-US CEOs Forum. He is non-executive Chairman of Vodafone India and is a Director on the board of some leading Indian companies. He is also the Chairman of CII's National Committee on Insurance & Pension. Mr. Analjit Singh is actively involved in governing several educational institutes of prominence as Executive board Member of the Indian School of Business (ISB), Hyderabad, and as a Chairman of the new ISB Mohali Campus Advisory Board. He is also the Chairman, Board of Governors of the Doon School, Dehardun and the Chairman of the Board of Governors of Indian Institute of Technology, Roorkee.</p>	<p>Mr. V Leeladhar has 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 in 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.</p>	<p>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.</p>
Directorships held in other public companies (excluding foreign companies and Section 25 companies)	<p>Max India Limited (Executive Chairman)</p> <p>Hero MotoCorp Limited</p> <p>Dabur India Limited</p> <p>Vodafone India Limited</p> <p>Max New York Life Insurance Co. Ltd.</p> <p>Max Healthcare Institute Limited</p> <p>Max Bupa Health Insurance Company Limited</p> <p>Max Neeman Medical International Ltd.</p> <p>Malsi Holdings Limited</p> <p>Malsi Estates Limited</p> <p>Malsi Hotels Limited</p>	<p>Indian Collections Management Ltd.</p> <p>Tata Cleantech Capital Ltd.</p>	<p>JSW Ispat Steel Ltd.</p> <p>Tata Coffee Ltd.</p>
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Shareholders'/Investors' Grievance Committees)	Nil	Nil	<p>JSW Ispat Steel Ltd</p> <p>Shareholders'/Investors' Grievance - Chairman</p> <p>Audit - Member</p> <p>Tata Coffee Ltd.</p> <p>Audit - Member</p>

Particulars of Directors seeking appointment / reappointment



continued

Name of Director	Mr. Cyrus Mistry	Mr. Darius Pandole	Mr. Ajoy Misra	Mr. Harish Bhat
Date of birth	04.07.1968	27.04.1966	25.4.1957	08.11.1962
Date of appointment	22.06.2012	22.06.2012	1.12.2011	01.07.2012
Qualifications	Graduate Degree in Civil Engineering, UK, M.Sc. in Management, London Business School	BA (Economics) from Harvard and MBA from University of Chicago	B.E. Hons, MBA	B.E (Hons), PGDM
Number of shares held in the Company	Nil	637	Nil	Nil
Expertise in specific functional area	Mr. Cyrus Mistry is a graduate of Civil Engineering from Imperial College, UK and has an M.Sc. in Management from London Business School. He has been associated with the Shapoorji Pallonji Group since 1994. Under Mr. Mistry's guidance, Shapoorji Pallonji's construction business has grown from a turnover of US \$20 million to approximately US \$1.5 billion with presence in over 10 countries. He joined the Board of Tata Sons Limited in 2006 and is presently the Executive Deputy Chairman.	Mr. Darius Pandole holds a BA (Economics) degree from Harvard (1988) and a MBA from the University of Chicago (1992). He is Partner at New Silk Route Advisors Pvt. Ltd, a private equity firm focused on investing in India and other Asian economies. Mr. Pandole had earlier worked with Kraft General Foods in the US and returned to India in 1993 and managed the operations of his family owned soft drinks business, Duke and Sons Limited, which was a market leader in Western India. He served as Managing Director of IndAsia Fund Advisors Pvt. Ltd., the Indian Advisor to the AMP-IndAsia India Fund – a private equity fund established in partnership with AMP of Australia. Mr. Pandole joined IDFC PE Ltd in February 2003, and was the Executive Director, and later Chief Operating Officer.	In a career spanning 31 years, all with the Tata Group, Mr. Ajoy Misra has worked in various departments of Taj Hotels from Sales and Marketing to Operations. He joined the Taj in 1980 in the Corporate Sales and Marketing Department through the Tata Administrative Services. He has a Bachelors Degree in Civil Engineering from BITS, Pilani and Masters Degree in Business Administration in 1980, from the Faculty of Management Studies, Delhi University specialising in Marketing. He has also completed the Advanced Management Program at Harvard Business School in 2008.	Mr. Harish Bhat holds a Post Graduate Diploma in Management (PGDM) from the Indian Institute of Management, Ahmedabad, where he was ranked first in the graduating class, winning the IIMA Gold Medal for Scholastic Excellence. He also holds a B.E. (Hons.) degree in Electrical and Electronics Engineering from the Birla Institute of Technology and Science, Pilani. He joined the Tata Administrative Service (TAS) in 1987, and has worked for 25 years with various companies in the Tata Group. He was previously with Tata Tea Limited from 1988 to 2000, during which period he held several senior roles in sales, marketing and as business head. Most recently, he was with Titan Industries Limited as Chief Operating Officer of the Watches and Accessories Division, where he led the world's fifth largest watches business with distinction.
Directorships held in other public companies (excluding foreign companies and Section 25 companies)	Tata Sons Limited Tata Industries Limited The Tata Power Company Limited Tata Teleservices Limited Tata Consultancy Services Limited, Tata Motors Ltd., Tata Chemicals Ltd., Tata Steel Limited	VRL Logistics Limited	Mount Everest Mineral Water Limited NourishCo Beverages Limited	Nil
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Shareholders'/Investors' Grievance Committees)	Tata Sons Limited <i>Audit - Member</i>	VRL Logistics Limited <i>Audit - Member</i>	Mount Everest Mineral Water Ltd <i>Audit - Member</i> NourishCo Beverages Ltd <i>Audit - Member</i>	Nil



Your Directors are pleased to submit their report together with the audited statement of accounts for the year ended 31st March, 2012.

1. Highlights – Consolidated Performance

The global operating environment remained challenging during 2011/12 with high competitive intensity in the branded space across key regions due to intense promotional activity, high commodity costs and a volatile exchange market. Your Group continued to constantly strive to meet these challenges with a focus on category expansion, innovation and cost reduction and performed well in a difficult external environment. Consolidated Income in 2011/12 increased by 10% from Rs. 6,003.17 crores to Rs. 6,631.16 crores driven largely by improvements in both branded and non-branded businesses and favourable currency impact. Profit before exceptional items at Rs. 551.08 crores was higher by 14% reflecting an improvement in operations and a reduction in finance costs. Post exceptional items Profit after tax at Rs. 431.91 crores recorded a higher growth of 48% over 2010/11 due to favourable impact of higher exceptional income and lower effective tax rate. Group consolidated income after minority interests at Rs. 356.14 crores was 40% higher than the previous year.

The Group recognises that strong brands are critical to sustainable growth and we continue to invest in our brands and new product development which are essential to preserve the long term health of our brands and support future growth. Strategic alliances are also a key pillar of our growth strategy and joint ventures with established global players are a step in this direction. A strategic review of the cost base has been completed with the help of external advisors which are expected to deliver benefits.

2. Stand alone Financial Highlights

The Directors now present below the stand alone financial highlights for 2011/12:

	2011/12	2010/11	Rs. Crores
Total Revenue	2,129		1,924
Profit before finance cost, depreciation, exceptional items and tax	326		260
Deduct:			
Finance cost	(27)	(41)	
Depreciation	(12)	(12)	(53)
Profit before tax and exceptional items	287		207
Exceptional items (net)	83		23
Profit before tax	370		230
Provision for tax	(67)		(50)
Profit after tax	303		180
Add: Surplus brought forward from previous year	367		347
Transfer from debenture redemption reserve	-		81
Amount available for appropriation	670		608
Proposed dividend	(133)	(124)	
Income tax on dividend	(21)	(18)	
Transfer to general reserve	(30)	(18)	
Transfer to debenture redemption reserve	-	(81)	(241)
	486		367



The Company had a spectacular year, growing significantly over the previous year and establishing market leadership in both volume and value. This was due to a realignment of the marketing mix, focus on distribution and the impact of brand investment as demonstrated by the Tata Tea Premium and Tata Tea Gold marketing campaigns. These campaigns resonated well with the consumers and increased brand pull.

Total Revenue for the year ended 31st March 2012 was Rs. 2,129.38 crores against Rs. 1,924.08 crores in 2010/11, registering an increase of 11% driven by higher volumes across all brands and improved price realisation. Improved operating performance along with cost rationalisation initiatives and debt restructuring enabled the Company to improve its profits. The Company also benefitted from exceptional items. Profit before and after tax at Rs. 369.91 crores and Rs. 302.68 crores respectively reflect an increase of 61% and 68% respectively over the previous year.

3. Dividend

The Directors are pleased to recommend for the approval of the shareholders a dividend of Rs. 2.15 per share on the paid-up equity share capital of the Company with respect to the financial year 2011/12 as compared with the dividend of Rs. 2 per share declared last year. The total outgo on account of dividend, inclusive of taxes, for 2011/12 is Rs. 153.65 crores which represents a pay-out of 51% of the Company's stand alone profits.

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 8th 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 fulfillment 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). Tata Coffee Limited (TCL), a subsidiary of the Company, as a standalone entity registered record turnover and earnings for the year 2011/12 aided by improved performance of its Instant Coffee division and continued growth in the plantation division. TCL reported a turnover of Rs. 509 crores, a growth of 27% over the previous year. Profit before tax grew 52% at Rs. 104 crores and Profit after tax at Rs. 79 crores was up by 43% compared with the previous year. The Instant coffee division reported a dramatic turnaround as a result of the successful process-centric business transformation that focused on consolidation and growth. A customer focused approach, continued quality improvements, engaged work force and focus on a safe working environment have been propellers of the Instant Coffee division's sustained excellence. The company's focus on the premium segment for speciality and certified coffees resulted in 28% increase in sales volumes over the previous year. The Company targeted the US market for its Robusta coffee significantly increasing volumes. The triple certifications of Rainforest, UTZ and SA8000 helped the Company enhance its presence in the premium market for differentiated coffees. The Directors of Tata Coffee Limited have recommended an all time high dividend of Rs. 11 per share.

- (iii). Eight O'Clock Coffee Company, USA, (EOC) a subsidiary of Tata Coffee, performed well in a challenging year registering a 9% growth in turnover at Rs. 1,040 crores over 2010/11 driven by price increases partially offset by lower volumes resulting from intense competitor activity. Profit was however lower in underlying terms, to the prior year, due to increase in commodity costs and higher promotional expenses.
- (iv). Tata Tea Extractions Inc, the Company's wholly-owned subsidiary in the USA, reported operating earnings of \$ 1.36 million in 2011/12 compared with \$ 0.98 million in the previous year. Net earnings after tax increased to \$ 1.81 million in 2011/12 against \$ 1.64 million in the previous year. The increase in earnings was largely on account of lower input costs.
- (v). Mount Everest Mineral Water Ltd (MEMW), the Company's subsidiary, recorded a higher operating income aided by higher service income. During the year, significant measures were taken by MEMW to contain its corporate costs and consequently, the loss decreased by 86% from Rs. 1,185 lakhs in the previous year to Rs. 164 lakhs in the year under review. During the year, your Company consolidated its holdings in MEMW by acquiring 4.17% stake from the erstwhile promoters. An additional 4.98% equity was acquired during the current year consequent to the exercise of a put option by the erstwhile promoters of MEMW. With these acquisitions, your Company's holding in MEMW is currently at 50.07%.
- (vi) The consolidated accounts of Tata Global Beverages Group Limited reflect substantially the financial performance of the Tetley business and other international brands. Operating income at Rs. 3,208 crores was up 5.5% over the previous year. Profit before exceptional items at Rs. 231 crores registered an 18% increase over 2010/11. Profit before and after tax at Rs. 195 crores and Rs. 136 crores respectively were also higher than the previous year.
- (vii) Estate Management Services Pvt. Limited, Sri Lanka (EMSPL), where the Company effectively owns 49% of the shares is the holding company of Watawala Plantations Ltd (WPL). During the financial year ended 31st March 2012, EMSPL acquired 100% of the shares of Watawala Marketing Ltd from Watawala Plantations Ltd. WPL's operations were impacted by several challenges facing the Sri Lankan plantation sector in general including loss of crop due to adverse weather conditions, steep cost escalations due to increased employee costs and fall in exports. The other crops like Palm Oil and Rubber did well. WPL's profits include the one time profit on sale of Watawala Marketing Ltd's shares held by it.
- (viii) The turnover of Amalgamated Plantations Private Limited (APPL), in which the Company owns a 49.07% stake, was Rs. 397.12 crores which was marginally lower than in the previous year due to crop losses and lower realisations. The lower crop was on account of continued pest attacks and early onset of winter leading to cessation in plucking activity. Performance was also impacted by input cost increases including wage costs.

5. NourishCo Beverages - Joint Venture in Liquid Beverage Business

NourishCo Beverages Limited, the Joint Venture between your Company and PepsiCo Inc., was incorporated in November 2010 and commenced operations in 2011. NourishCo is in the business of developing, manufacturing, selling and distributing hydration beverages. Over 17 months, the company focused on working closely with JV partners in commercialising new products and driving the offtake of new category creations.

NourishCo Beverages successfully launched two products, namely Tata Water Plus, India's first nutrient water, and Tata Gluco+, a glucose-based lemon flavoured drink providing instant energy and refreshment.



Going forward, NourishCo's strategy is to consolidate its market presence, validate its business model and expand its footprint across other markets in a phased manner.

6. Tata Starbucks Limited

Following the signing of the Memorandum of Understanding with Starbucks Coffee International, Inc., USA (Starbucks), a 50/50 Joint Venture called Tata Starbucks Limited was formed during the year. Tata Starbucks will own and operate Starbucks cafés in cities across the country, with the first store slated to open in the later part of this year. These cafés will be branded as Starbucks Coffee "A Tata Alliance". The venture brings the premium Starbucks experience to Indian consumers along with the trust and reliability of the Tata name.

7. MoU with Kerala Ayurveda Limited

Following the MoU signed with Kerala Ayurveda Limited (KAL) to develop beverage and food products around ayurvedic recipes, the Company is in the process of developing three variants of such water based beverages with Metabolism, Inflammation and Insulin Management functionality. The proprietary ingredients inspired by ayurveda have been clinically proven to be functional. The first range of water neutral prototypes and second generation beverage prototypes with 'Lime-lemony' flavour has been developed. Internal reviews are currently being conducted.

8. Review of Activities

A. The Tea Industry

In 2011, the tea crop was favourable with India registering record production. Black tea production in major producing countries in January/December 2011 was 988.2 mn kgs as against 966.4 mn kgs in 2010, an increase of 21.8 mn kgs. The crop in India was also higher than the previous year. Indian exports in 2011 were estimated at 192.9 mn kgs as against 222 mn kgs in the previous year - lower by around 13% due to reduced demand from the Middle East and Iran. Price levels were commensurate with quality, dropping to its lowest during the heaviest cropping months. The year ended with a widening in price bands between the best and plainer teas. Consumption continued to rise at around 3 to 3.5% per annum. Unlike 2011, the first quarter of 2012 is likely to see a significant drop in South Indian production.

B. Domestic Branded Tea Operations

The Company's branded operations reported a stellar performance, registering an overall 10% growth by volume and 13% by value. All the Company's major brands reported growth over the previous year.

The Company's major national brands, namely Tata Tea Gold and Tata Tea Agni, grew in excess of 11% each over the previous year supported by a successful '25 years of Tata Tea' campaign. This campaign comprised the new 'Soch Badlo' (change your perspective) communication, ground level inputs, displays, activations and online media support. The objective of the campaign was to leverage 25 years of the brand and express our appreciation to stakeholders. The Soch Badlo campaign, launched under the Jaago Re platform, won accolades at the Abby awards, India's most prestigious advertising awards organised by the Advertising Agencies Association of India and the Advertising Club of Bombay. The campaign won three bronze Abbys in three categories – Brand Campaign Website, Creative use of Social Media and Digital Integrated Campaign.

The Regional brands performed well recording a 7% volume growth over prior year. The highlights included the restage of Gemini and gain in share of Chakra Gold inspite of tough competition and Kanan Devan which was under pressure in the previous year, showing growth this fiscal over last year.

The Company implemented price changes across most of its key brands to offset the impact of tea cost increases.

During the year, your Company launched several new products / SKUs. These included new and exciting variants of Tetley Green Tea in three delicious flavours - Cinnamon & Honey, Citrus & Spice and Aloe Vera and 'Tea Veda' a brand positioned in the luxury segment of the tea category.

The Jaago Re campaign aimed to metamorphose the thought of 'Social Awakening' to reality by being a unique online collaborative platform in the domain of 'Social Good' continues 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 NGO's and individuals. An active social media campaign around the portal has led to high engagement levels among the target group through Face book, Twitter and an active blog.

The Gaon Chalo initiative, an innovative programme aimed at rural penetration, helped create employment opportunities among the poor sections of the society in India. The programme was extended to new geographies and is showing positive results. During the current year, additional states will be added and this initiative will be a key thrust area going forward.

C. International Branded Operations

UK operations performed well in 2011/12 with gain in grocery and strong performance by speciality teas as well as growth in premium offerings. In a competitive market wherein the black tea market declined, your Group continued to retain its market position with market leadership in specialty categories like Decaff and Redbush. In green tea, the year under review saw increase in volumes with the Tetley brand being in the number two position in this category. Tetley packs carrying the Rainforest Alliance Certified™ seal are now available in markets like UK, Canada and Europe. This marks another major milestone on the journey to becoming a more sustainable brand for Tetley.

Canada continues with its new product development agenda. Infusions, New Chai blends (dark chocolate and vanilla bean) and Green Pomegranate 80s launched earlier are gaining distribution.

Specialty tea is gaining distribution and Tetley Chai Latte, an exciting new product combining both coffee and tea, was launched during 2011/12 in Australia, which was very well received.

Our brands also saw improved performance in other markets like the USA, Russia, Czech Republic and Poland.

D. Extractions

The division's profitability improved with increased volumes of high value added instant tea products and by realisation of VKGUY benefits from Government of India. A new product of black instant tea was developed for a European customer.

Zhejiang Tata Tea Extraction Company Limited, China which is a subsidiary of your Company, is a Joint Venture with Zhejiang Tea Group Company Limited China. The JV was set up for the manufacture and marketing of Instant Tea, Tea Polyphenols and tea concentrates. The company commenced its production of Green Instant tea products after



initial delays and has started trial exports to USA. The commercial production of Tea Polyphenols is expected to commence during the current financial year.

E. Exports

The FOB value of exports during 2011-12 was Rs. 157 crores, which is in line with the previous year. The tea bag unit at Kochi performed well and continued to meet the Group's requirements in Australia, Poland, Eastern Europe, Canada and the Middle East. The unit is working with the commercial team to develop new SKUs for existing markets. The Tata Tetley Division, Cochin, was certified for compliance with OHSAS 18001 standards. As a green initiative, the factory discontinued the incineration of cartons, BOPP film and CFC.

F. Plantation Operations

In 2011-12, the crop production at the Company's Pullivasal and Periakanal estates was higher at 20.62 lakh kgs against 19.79 lakh kgs in the previous year, while the yield was higher by 4%. The crop was affected by the onset of South West monsoons in June 2011, which remained fairly vigorous until end-September, 2011. The total rainfall received during the monsoons was 25% more in Periakanal and 10% more in Pullivasal, than during the corresponding period in the previous year. This was followed by dry weather, which continued till end March 2012.

The productivity achieved by the two estates to end March 2012 was 55.54 kg against 50.65 kg achieved during the previous season. The plucker productivity of 56.14 kgs achieved by Pullivasal Estate and 54.91 kgs achieved by Periakanal estate are both all time records.

Kanan Devan Hills Plantations Private Limited (KDHP) is the erstwhile south India plantation business of the Company which is now majority owned by management and workers with your Company retaining a minority stake. The Company completed its seventh consecutive year of strong performance despite adverse weather conditions. Compared with the previous year its operational results were affected by unprecedented increase in the workers' wages during the year. During the year under review, Mr. T V Alexander, Managing Director of KDHP passed away and your board wishes to place on record the excellent services rendered by Mr. Alexander in the formation of KDHP and also in your Company earlier. The Board of KDHP has appointed Mr. Chacko P Thomas to take over as Managing Director.

G. Community Development, Employees' Welfare and Environment Conservation

The Company's commitment to community development and social welfare continues through its initiatives such as the General Hospital, Srishti Welfare Centre and High Range School in Munnar. The General Hospital conducted an extensive programme to increase public awareness on HIV/AIDS. During the year under review, the General Hospital provided treatment (including surgeries and deliveries) to a large number of people. The beneficiaries covered patients from the tribal population who were treated free of cost.

Programme coordinators at the Srishti Welfare Centre which focuses on education and vocational training for differently abled people, were given opportunities to increase their functional skill sets by interacting with welfare units outside their region.

The students of the High Range School performed very well in the CBSE Class X and XII and among the successful candidates were three toppers who are children of the general workers of your Company and KDHP.

The activities of Srishti Welfare Centre functioned smoothly with the Trainees and Programme coordinators of each unit being facilitated to travel outside the region to improve knowledge in their functional areas and also gain exposure on the functioning of the skill sets available at other locations. The unit participated in exhibitions held overseas which showcased the products made at the centre.

9. Industrial Relations

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

The Company initiated an exercise to reshape the organisation design to attract, nurture and develop talent. The newly-developed Organisation Resource Review (ORR) process enables Tata Global Beverages to identify critical roles and key talent in alignment with organisation design, development and succession planning.

10. Corporate Governance & MD&A

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

11. Tata Business Excellence Model (TBEM)

The TBEM assessment for 2012 is underway and this is the 3rd year that the Company is participating in the TBEM external assessment process. The Group achieved an overall improvement in the score in the second assessment conducted in 2011 compared with the 2010 score. The feedback that follows the external assessment gives us an opportunity to understand our strengths and areas for improvement. In addition, it also serves as means to learn about and manage organisational performance.

12. 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 2011/12, the applicable Accounting Standards have been followed and there are no material departures.
- ii) They have selected such accounting policies 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.
- 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.



13. Directors

During the year, Mr. P D Unsworth resigned as a Director with effect from 30th June 2011 due to personal reasons. Mr. Ajay Shankar also resigned as a Director with effect from 26th November 2011 consequent to his taking up an assignment with the Government of India, as Member Secretary of the National Manufacturing Competitiveness Council. Your Directors wish to place on record their appreciation and recognition of the contributions made by Mr. P D Unsworth and Mr. Ajay Shankar to the progress of the Company during their association with the Company.

During the year, Mr. Ajoy Misra was appointed as an Additional Director and as Executive Director by your Board with effect from 1st December 2011. Prior to joining the Company, Mr. Misra was the Senior Vice President, Sales & Marketing with Indian Hotels. Mr. Misra has been associated with the Tata Group for over 30 years and in business leadership positions for about 15 years. The appointment and remuneration of Mr. Misra will come up for approval of the members at the forthcoming Annual General Meeting.

Mr. P T Siganporia retires as Director and Managing Director of the company with effect from 30th June 2012. Mr. Siganporia, a senior TAS officer, joined the company in 1975 and held several important positions during his tenure. His tenure included responsibilities in Sales & Marketing in the Packet Tea Division, Kolkata and recently in the Executive Office, London. He successfully led critical change initiatives across Tata Global Beverages and has played a key role in Tata Global Beverages' transformation from its heritage in tea plantations in India to a growing global organisation with a portfolio of strong and dynamic brands. Mr. Siganporia retires after 38 years of distinguished service in the Tata Group. The Board wishes to place on record its appreciation for the contribution made by Mr. Siganporia during his tenure with the Company.

Mr. Harish Bhat has been appointed CEO and Managing Director of Tata Global Beverages Limited with effect from 1st July 2012. Mr. Bhat takes over from Mr. P T Siganporia, who retires on 30th June 2012. He was previously with Tata Tea Limited from 1988 to 2000, during which period he held several senior roles in sales, marketing and as business head. Most recently, he was with Titan Industries Limited as Chief Operating Officer of the Watches and Accessories Division, where he led the world's fifth largest watches business with distinction. The appointment and remuneration of Mr. Bhat will come up for approval of the members at the forthcoming Annual General Meeting.

Mr. Cyrus P Mistry and Mr. Darius Pandole have been appointed as Additional Directors with effect from 22nd June, 2012. Mr. Darius Pandole is an Independent Director. As per the provisions of Section 260 of the Companies Act, 1956 (the Act) both Mr. Cyrus P Mistry and Mr. Darius Pandole hold office upto the date of the forthcoming Annual General Meeting (AGM) of the Company and are eligible for appointment as Directors. The Company has received notices under Section 257 of the Act, in respect of the above persons, proposing their appointment as Directors of the Company. Resolutions seeking approval of the members for the appointment of Mr. Cyrus P Mistry and Mr. Darius Pandole as Directors of the Company have been incorporated in the Notice of the forthcoming AGM along with brief details about them.

Mr. Anajit Singh, Mr. V Leeladhar and Mr. U M Rao retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

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

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

14. 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.

15. Cost Auditors

The Central Government has approved the appointment of Messrs. Shome & Banerjee, 5A Nurulla Doctor Lane, 2nd Floor, Kolkata-700017 as cost auditors for the Company for conducting Cost Audit for the financial year 2011-12. The due date for filing the Cost Audit Report for the financial year ended March 31, 2011 was September 30, 2011 and the Cost Audit Report was filed by the Cost Auditors on 13th September, 2011. The due date for filing the Cost Audit Report for the financial year ended March 31, 2012 is September 30, 2012.

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 2011-12 without which such a performance would not have been possible in a challenging environment.

On behalf of the Board of Directors



(R N TATA)
Chairman

Mumbai,
29th June, 2012



Particulars of Conservation of energy, Technology absorption and Foreign exchange earnings and outgo in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Directors) Rules, 1988 forming part of the Directors' Report for the year ended 31st March 2012:

A. CONSERVATION OF ENERGY

1. Energy conservation measures taken during 2011/12

Energy conservation measures taken at the Company's Pullivasal/ Periakanal Estates included fixation of Tuflites Sheets (translucent fibre-glass sheets) which helped reduce usage of power during the day for lighting. Thermal insulation reduced the heat leakage in flow pipes and running of fans in the troughs was monitored thereby reducing electrical energy.

Energy conservation measure taken at Instant Tea Division during 2011/12 consisted of installation of capacitor banks in the Automatic Power factor controller and select individual motors.

In the Cochin unit, the energy conservation measures included installation of timers in water boiling unit wet test area and fixing of roof turbine air ventilators for air circulation without power usage.

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

The workers in the estates are provided CFLs at a highly subsidised rate in easy installments.

The approximate investment made by Instant Tea Division was Rs. 5,70,000 for installation of capacitor banks in automatic power factor controller.

The Cochin Unit has installed Compressor control upgrade at an additional investment of approximately Rs. 7,00,000 and saving in energy consumption is expected to the extent of 20% to 25%.

3. Impact of the measures taken

The use of tuflites sheets and CFLs in Pullivasal/Periakanal Estates has resulted in significant saving of power.

In Instant Tea Division, the installation of Capacitor banks in automatic power factor controller has resulted in a cost saving of about Rs. 2.64 lakhs by way of lowering maximum demand and incentives.

In Cochin unit, the installation of timers in water boiling unit has resulted in saving of Energy of over 9,000 kwh and cost saving of about Rs. 0.50 lakh. The fixing of roof turbine air ventilators resulted in energy saving of over 2,600 kwh.

Form A

Disclosure of Particulars With Respect To Conservation of Energy

	2011/12	2010/11
Power & Fuel Consumption		
Electricity Purchased		
Units (Lakhs kwh)	121.48	122.73
Total amount (Rs/Lakhs)	619.81	621.58
Rate/Unit (Rs/kwh)	5.10	5.06
Own Generation (Through Diesel Generators)		
Units (Lakhs kwh)	14.64	11.32
Total amount (Rs/Lakhs)	188.61	136.44
Units/Ltr of diesel	3.33	3.17
Rate/Unit (Rs/kwh)	12.88	12.05
Coal		
	-	-
Furnace Oil		
Quantity (kl)	2797.89	3269.20
Total Cost (Rs/Lakhs)	989.54	863.26
Average Rate (Rs/kl)	0.35	0.26
Others - Firewood		
Quantity (Lakhs/Cu.Mt)	0.31	0.21
Total Cost (Rs/Lakhs)	447.87	254.81
Average Rate (Rs/Cu.Mt.)	1,446.44	1,197.70
Consumption Per Unit of Production		
Tea		
Electricity (Units/Kg of Tea)	0.16	0.15
Firewood/1000 kg of sifted tea	10.38	7.85
Instant Tea		
Electricity (Units/Kg of Tea)	2.60	2.63
Furnace Oil (Ltrs /Kg of Tea)	1.56	1.67
Coal	-	-
Others - Firewood (Cu.Mt's/Kg of Tea)	0.006	0.003

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

Unit rates of electricity purchased are higher due to cost inflations.

More units were generated by the usage of own diesel generators due to lower availability of power from the State Electricity Boards.

More usage of firewood was due to extra volume of RC teas over the prior year and the Rate / Cu mt. of firewood is higher due to lower availability of firewood.



Form B

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

The work programme in Global R&D Bangalore focuses on new product and process development to meet the global growth agenda, prioritised by the top management for each geography. Other areas of focus are packaging development and technical support to ensure that product compliance is facilitated by working with trade organisations and regulatory bodies to support new regulations and improve internal capabilities for compliance.

The new product and process development programme covers tea and non tea based products identified for the region. This includes working to develop new products to meet specific consumer demands and their expectations, working with ingredient companies on specific ingredients, managing collaborative projects, and investigating opportunities for new collaboration. A key area of development was that of beverages with different delivery formats to support the 'good-for-you' vision of the company. An example of this effort is the focus on functional beverages to support NourishCo, the joint venture company between your Company and PepsiCo.

The technical support and audit programme provides data on product and packaging to monitor conformance to quality requirements. The technical support projects include development of packaging materials, analyses of packaging for conformance to specifications, exploration of packaging options from a cost saving perspective, analytical method development and the analytical support programs to support product development and facilitating external analyses of finished products to ensure product safety and conformance to the quality specifications.

The Global R&D function with its Head based in London and with units operating in India, UK, and USA, has integrated its operations with a focus to provide global technical platforms to facilitate innovations and core product support globally and to optimise and manage resources effectively. Global level integration facilitates close interaction with consumer insights, venture team leads, global marketing teams, as well as the regional marketing teams.

Development of new products and processes involves identification and use of emerging ingredients and delivery formats to supplement the healthy image of tea and meeting the changing consumer needs and identifying applicable technologies and processes to suit the requirements of the development programs. This work includes discussions with global suppliers, experts and leaders in respective areas, to evaluate their offerings. This has helped the company evaluate different technologies through collaborative work and to improve the current knowledge base. Exploratory discussions with potential global technology collaborators during the year improved the internal capabilities, which will be leveraged to provide future technological solutions.

Collaborative research, sponsored analytical work and technical discussions were held with institutions like CFTRI, NDRI, SNDT Women's University, NIN, IIP and Commercial technological establishments like Alfa Laval, GEA, Nichrome, and key vendors like Kerry Ingredients, IFF, Givaudan and Synthite Industries, analytical facilities like Shiva Analytical, MicroChem-Silliker and TUV-SUD in India, and Eurofins in India and Germany. The range of activities of these collaborations were for technical resolution of issues, identification of applicable processes, analytical and process development studies, routine analysis and shelf life studies to support developmental work. R&D maintains a regular interaction with UPASI and TRA on technical matters concerning the Tea Industry.

2. Benefits derived as a result of R&D

Three flavoured green tea in tea bags were launched during the year as a line extension of existing range of 'Tetley' flavoured tea bags. The variants are Aloe vera, Citrus-Spice and Cinnamon-Honey.

Bulk flavoured black tea in premium packs were launched under 'Teaveda' brand. The variants are Cardamon, Ginger and Masala.

The testing programme to ensure conformance of the products to quality specifications laid down by Food Safety & Standards Regulations was completed during the year with products selected by a sampling plan including all brands and their variants of tea from all packing centres. The analyses carried out are iron filings, pesticide residues, heavy metals and specifications for tea. All the samples analysed show total compliance to specifications indicating Company's ongoing commitment to quality and consumer safety. An audit testing program to ensure conformance of packaging materials procured to quality specifications was also undertaken during the year.

R&D continues to work on local and international legislation and standards with industry committees. The interactions are with Tea Board, BIS, CII, FICCI, CIFTI 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 and Regional Marketing function on various technical issues.

3 Future Plan of Action

R&D continues to develop a portfolio of new products and processes to compete in the 'good-for-you' beverage space and delivering products as per the prioritised global and regional developmental agenda. The emphasis on innovative product development will ensure contribution to the NPD funnel that is focused on keeping in step with the rapidly changing market and consumer needs as well as deliver competitive differentiation. More focus would be given for innovation and adoption of new technologies and processes to develop and optimise products meeting specific consumer demands. The key challenge for the future is to develop new technologies that would provide innovative products that solve a key consumer problem, to meet the Company's global growth agenda. Improvement in facilities and resources and optimum resource utilisation across different units to leverage the knowledge base will also be a focus area in the coming year.

NPD Projects of global nature with a focus on the consumer will be a key focus area. Support would be provided by way of developing technologies and products to suit the requirements of the target consumer group. More collaborative work between the global R&D, units in India, UK and USA will be undertaken with focus on greater integration and exchange of technical personnel, to enable sharing of experience and technical knowledge.

Active participation in the development of the commercial innovation agenda to support global and regional marketing teams and venture team leads would be a priority. This activity coupled with scientific support is envisaged to provide a roadmap for the development of differentiated products for competitive edge in market place. Sustainability initiatives through development in packaging with a view to reduce cost and carbon foot print would be explored for its feasibility in the coming year.

Programs to monitor compliance of tea products from a food safety perspective and testing of packaging materials to ensure compliance to quality specifications will continue in the next year.

Work will also continue with the CII, FICCI, CIFTI, Tea Board, BIS and the regulatory body FSSAI to submit contributions on legislation relating to food safety and standards. 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.

Efforts to ensure protection of the IP assets of Company's interests in developmental activities will continue.

4. Expenditure on R & D

	2011/12	2010/11
Capital	30.72	2.48
Revenue	587.83	321.99
	618.55	324.47
R & D expenditure as percentage of turnover	0.29	0.17

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 following:

- Development of Flavoured Green Tea in teabags: Aloe vera, Citrus-Spice, Honey-Cinnamon
- Development of Bulk flavoured black Tea



ii. Benefits derived as a result of the above efforts

The Company is able to offer a portfolio of branded products to our consumers in the form of new and innovative products. Three new flavour variants under the 'Tetley' Green Tea – Aloe vera, Citrus-Spice, Honey-Cinnamon and three variants of Bulk flavoured black tea (Ginger, Masala and Cardamom) under 'Teaveda' brand resulted due to the efforts of the technology developed by your Company.

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

The FOB value of exports during 2011-12 was Rs. 157 crores, which is in line with the previous year. The tea bag unit at Kochi performed well and continued to meet the Group's requirements in Australia, Poland, Eastern Europe, Canada and the Middle East. Efforts to promote exports in these markets will continue to be pursued.

	2011/12	2010/11
		Rs. in Lakhs
Value of Imports on C.I.F basis		
Raw Materials	5091.55	5424.74
Finished Goods	147.06	-
Stores, Spare parts	52.50	69.61
Capital Goods	4.47	7.23
Expenditure in Foreign Currency		
Selling Expenses	36.77	265.89
Foreign Travel	79.84	128.24
Professional Fees	544.17	95.68
Management Fees	2573.13	1735.87
Other Expenses	70.29	244.18
Foreign Exchange Earned		
Value of Exports at F.O.B.	15731.27	15556.48
Technical Service Fees – Gross	98.30	89.30
Dividend - Gross	3978.44	5345.55
Management Service Fees	819.70	704.56
Others (Freight, Insurance, etc.)	778.99	1159.79

On behalf of the Board of Directors

(R N TATA)
Chairman

Mumbai,
29th June, 2012



Business Overview

Your Company's vision is to be a leading 'good-for-you' beverage Company and is reinforced through a strategy built around the six pillars of products, brands, distribution, people, process and sustainability.

We are a global business with over 65% of our consolidated revenues coming from markets outside India. About 90% of our revenues come from sale of branded products in over 70 countries. Plantation and extraction business constitutes 10% of our revenues.

Currently tea accounts for about 70% of our revenues, Coffee 20% with water and other products accounting for the balance.

1. Industry Structure and Developments

The international branded beverages market continues to be impacted by retailer consolidation and consumers seeking better value. This coupled with commodity inflation and volatility makes for an extremely competitive market environment. Your Company continues to perform well in this environment through brand investment and product innovation.

Commodity cost environment

The tea crop was relatively good in 2011 with India posting a record crop. The market remained generally strong despite the good crop with only some easing towards the end of the year. The outlook for the first quarter generally tends to be for a lower crop, with India and China producing lower quantities during winter. Kenyan teas were also firmer during the year.

In the coffee segment, the Arabica futures market commenced the year at a high level and continued to rule high until the first week of May after which prices declined. With prices softening, the tightness in the physical market eased to a significant extent.

The Robusta futures market which started the year on a high steadily declined and this resulted in a gradual build up in global Robusta inventory. However, increased Robusta demand from roasters trying to control blend costs with the replacement of relatively expensive Arabicas, led to a hardening of both futures and differentials in the last quarter of the year. The bumper Vietnamese crop, although lower than estimated helped in stabilising Robusta prices. India too, harvested a lower Robusta crop.

The softening in Arabica and hardening in Robusta prices resulted in a shrinking arbitrage between the two markets, enhancing Arabica attractiveness once again.

2. Consolidated Financial and Operating Performance

The consolidated financial highlights for 2011-12 are as follows:

	2011-12	2010-11	Variance
Net operating income	6,631	6,003	628
Profit before exceptionals and taxes	551	485	66
Exceptional items	23	10	13
Profit before tax	574	494	80
Profit after tax	432	292	140
Group consolidated net profit	356	254	102

Rs. in Crores



Consolidated operating income for the year ended 31st March, 2012 at Rs. 6,631 crores was 10% higher than in the previous year, driven by improvements in the branded and non-branded businesses. The Indian business in particular performed exceedingly well. Profit after finance costs but before exceptional items at Rs. 551 crores grew 14% over 2010-11, reflecting improved operations combined with cost optimisation and lower finance costs that were partly offset by a rise in commodity and promotional costs. Exceptionals represent profits arising from the sale of non-core investments, restructuring and other costs. Profit after tax for the year under review at Rs. 432 crores was up 48% over the previous year.

3. Standalone Financial and Operating Performance

	2011-12	2010-11	Variance
Total income	2,129	1,924	205
Profit before exceptionals and taxes	287	207	80
Exceptional items (net)	83	23	60
Profit before tax	370	230	140
Provision for tax	67	50	17
Profit after tax	303	180	123

Rs. in Crores

Total income improved from the previous year due to higher volumes across all brands in India and mainly the flagship brands namely, Tata Tea Premium, Tata Tea Gold, Agni Leaf and Chakra.

Profit before exceptional items was higher largely owing to an improved operating performance aided by lower finance costs. Exceptionals during the year represented profits arising from the sale of non-core investments, offset by restructuring and other cost provisions. Profit before and after tax was significantly higher than the previous year aided by both outstanding underlying performance and higher exceptional income.

4. Product/Brand Performance

a) International Operations

The Group maintained its volume and value leadership in the key markets of India and Canada. In the UK, despite the declining market, our mainstream black tea market share was supported by investments behind brands and through sustained promotional plans. Our continued focus on the specialty category started paying dividends. We are the fastest-growing brand in Green Tea. We are already market leaders in the Redbush category with a strong lead at 31.3% volume share. We also maintained our clear leadership in Decaf with a value share of 34.7%. Sales of our premium Teapigs brand continued to grow and increased 49% over the previous year in volume terms. Thirteen SKUs won the great taste award with lemongrass scooping the 3 gold star award.

In the US, the underlying total income for the year was 6% ahead of the previous year attributable to coffee price increases more than offsetting the impact of lower volumes and decline in tea. Profits were lower owing to lower volumes exacerbated by higher green costs and advertising spends. Specialty tea remains a focus area in US. The US team negotiated a trademark

licensing agreement with Keurig, which will place Eight O'Clock Coffee, Tetley Tea and Good Earth Tea in single serve K-cups in the US. Work is on schedule for the Eight O'Clock Coffee re-launch in fiscal 2012-13.

Canada saw gains in Blue, Specialty and Infusions, partly offset by a decline in certain other categories. Canada continued with its new product development agenda. Infusions, New Chai blends (dark chocolate and vanilla bean) and Green Pomegranate 80s launched earlier gained distribution. The major factors that contributed to Canada's success comprised focused consumer and brand-driven agenda and innovation backed by robust outsourced distribution.

In Australia, operations were impacted by aggressive competitor activity and restructuring of distributor arrangements resulting in lower volumes. Tetley Chai Latte, an exciting new product was launched in Australia with outstanding results. The range includes three flavours - classic, vanilla and berry. One of the major ways the Tetley Chai Latte range differs from its main competitors is through the use of natural ingredients (real spices) such as cinnamon, cloves, cardamom and ginger, as against flavourings, thereby improving the drink's taste and quality. This pioneering new launch repositions the Tetley brand in Australia as innovative and consumer-centric. This product is also planned to be introduced in other markets.

The Russian business performed well driven by strong growth in coffee volumes. We continue to focus on distribution expansion with increased listing in key accounts. Jemca key accounts have grown by 21.5% and we are the market leaders in terms of volume. The Group gained distribution this year in Oman, Bahrain and Lebanon.

b) Domestic brands

All the Company's major brands grew over the previous year, supported by sustained marketing campaigns undertaken to mark the completion of 25 years of the brands' existence. Several other brand initiatives were taken in India, including the successful restaging of brand Gemini which registered a high growth of 7% in five years. Brands such as Chakra Gold and Kanan Devan are now on a growth trajectory.

India had a good year, exceeding the performance of the previous year while establishing volume and value market leadership in India. Total income was up 11% over the previous year driven by higher volumes across all brands in India, coupled with the impact of price increases in the current period as well as the rollover impact of increases in the previous year. This improved performance, partly offset mainly by higher tea cost, resulted in an underlying profit after tax growth of 68% ahead of the previous year.

The key highlights of the individual brand initiatives are as follows:

- Tata Tea Premium recorded a 7% growth in 2011-12, aided by integrated brand activity with the 25 years' celebrations and 'Soch Badlo' campaign. The campaign also included the launch of the 250 grams buff in Chandigarh.
- Tata Tea Gold witnessed a stellar performance, ending the year with 18% growth over the previous year. This was supported by a new thematic in the first half of the year, highlighting the brand positioning of 15% long leaf and followed by consumer promotions in the second half of the year. Distribution gains were a key success driver.
- Tata Tea Agni had one of the most successful years. The brand grew 15% over 2010-11, driven by a host of trade-level activities and visibility inputs. As part of the 25 years celebration, a new celebration pack was introduced.



- Kanan Devan ended 2011-12 with 7% growth over the previous year supported by key marketing and trade interventions. The key marketing initiatives increased saliency while sales initiatives provided the necessary thrust. All states recorded growth over previous year, indicating overall health.
- Chakra Gold registered a 7% growth over the previous year and witnessed appreciable market share improvements in Andhra Pradesh and Tamil Nadu following key initiatives.
- Gemini performed well with a 7% growth over 2010-11, its highest growth in five years. The brand was re-positioned to enhance an aspirational perception. The restage included a premium and contemporary pack face which was well received by the trade. A new thematic television commercial was launched with a new brand ambassador portraying it as a 'Strong Gemini Woman'. These initiatives were supplemented with a 360 degree ground level activation in the form of visibility inputs, channel partner motivation, rural and HTS activation.

During the year under review, several new products/SKUs were launched, including the following:

- New and exciting varieties of Tetley green tea in three delicious flavours - cinnamon and honey, citrus and spice and aloe vera. These will be available in all leading high-end retail outlets and supermarkets in all key cities.
- The Company ventured into the luxury segment of the tea category in India under a newly launched Tea Veda brand. Six variants – three single origin and three spiced variants - were introduced. While the single origin variants comprise single variety teas like Darjeeling, Assam and Nilgiris, the spiced variants comprise cardamom, masala and ginger. Tea Veda will be sold through select modern trade stores and high-end boutique food stores. This first truly high-end Tata Tea brand promises to shake up the nascent super-premium tea market, dominated by a few players. With rising disposable incomes and exposure to global trends, the Indian consumer is increasingly open to trying high-end premium products. Tea Veda is also an attractive gifting option, which is a rising trend in India. Given these realities, we see super-premium tea as a market poised for growth in India.

In keeping with the commitment to provide healthy and nutritious hydration products, NourishCo Beverages, the joint venture between your Company and PepsiCo launched Tata Water Plus, India's first nutrient water in Tamil Nadu in February 2012. Tata Water Plus is nutritionally rich and promotes healthy living. The product, developed by your Company in collaboration with international scientists and Indian nutrition experts, looks and tastes like normal water but with the added goodness of bio-available nutrients. While Tata Water Plus was initially launched in select towns in Tamil Nadu, it was extended to additional areas in the state in the current year. Tata Water Plus leverages the Tata trust mark and PepsiCo's unique sales and distribution expertise, while being distributed through its core Go-To- Market system.

Tata Gluco+, a glucose-based lemon flavoured drink, which provides energy and refreshment, was launched by NourishCo in Chennai in November 2011. The drink has since scaled its presence across Tamil Nadu. Tata Gluco+ contains the benefits of glucose, electrolytes (mineral salts) and iron. The product was fully developed in India after two years of extensive work by PepsiCo's R&D team from ideation to market roll-out.

5. Outlook

The global operating environment remains challenging, marked by competitive intensity, high commodity costs and a volatile exchange market. The Group continues to address challenges with a focus on category expansion and innovation. The intense competition in the developed markets resulted in high promotional activity to support volumes.

6. The Environment

a) Consumers

Consumer confidence was fragile in many markets, with economies globally faced with inflation, low interest rates, unemployment and minimal GDP growth. Consumers were vulnerable to grocery bill inflation, which is price-sensitive and looking to economise by either shopping for promotions or trading down. This impacted volumes and margins. The Company invested in on-pack promotions for some brands to retain market share. The Company continued to invest in marketing communication initiatives to enhance brand affinity and protect market share.

b) Retailers

The international retail market is becoming increasingly competitive as consumers purchase in their efforts to economise. Brand owners, such as the Company, are susceptible to this market scenario as retailers continually focus on costs to satisfy demand weakness. As a result, your Company increased investment in promotions to remain competitive. Also, in core markets, the strength of brands and sales and marketing capabilities help us partly mitigate a few of these pressures.

c) Commodity prices

In line with other consumer-facing businesses, your Company faced considerable input cost increases. Raw tea and coffee bean costs increased significantly during the year under review. Your Company continued to invest behind optimisation models and sourcing strategies that help to contain rising commodity costs.

d) Competitors

The ambient tea and coffee market is extremely competitive, with players wanting market share. Recent years witnessed an increase of retailers' own brands and rising innovation-cum-brand investments by established players. The premium players shifted their offerings to address down-trading. With local players holding their prices down in India meant that the Company was compelled to maintain competitive prices to retain market share. The Company responded to these challenges by increasing its brand investment to allow customers and consumers to select products ahead of its competitors. The Company invested in packaging to make products more attractive and contemporary.

e) Interest rates

India and developed countries presented contrasting pictures with respect to interest rates. While the developed economies continued to grapple with recession, with interest rates generally low, Indian interest rates continued to be high for most part of the year due to unabated inflation concerns. In this prevailing economic reality, treasury initiatives were focused to capture gains as and when available. Strong operational cash flows and proceeds from the divestment of non-core investments permitted a significant reduction in borrowings in India. We continued to derive benefits from loans repaid in the UK and the US and the restructuring of long term debt in India. The Group's overall liquidity position continued to be strong.

f) Exchange rates

The Group is exposed to currency fluctuation mainly in relation to GBP and USD. It also has exposures to other currencies including the Rouble and Euro. The external environment is challenging with increased volatility driven also by uncertainty in the Euro Zone. The company continues to adhere to a prudent hedging policy based on Board approved guidelines. It uses a combination of forward and option contracts to manage its exposures.



7. Opportunities and threats

Opportunities

The Company along with its subsidiaries has a net cash position and capacity to take on leverage. This strong financial position will enable financing of both organic and inorganic opportunities.

The increasing awareness on the health advantages of tea, especially green tea, is emerging as a significant demand driver. Your Group, with its global presence and strong brands is well-positioned to grow by launching new products, backed by sound research and an innovative product portfolio.

With NourishCo Beverages, the joint venture company with PepsiCo Inc, already operational, there is an attractive potential to grow the market presence in nutrient water and energy drink categories, which were successfully launched by NourishCo.

Tata Starbucks, the joint venture with Starbucks International, provides exciting opportunities to collaborate in other areas, including the ability to partner in the area of consumer packaged goods to be sold and distributed through grocery channels in India. In a separate agreement, Tata Coffee Limited, your Company's subsidiary, will source and roast coffee to supply Tata Starbucks Limited and export to Starbucks Coffee Company globally, accelerating the discovery of Indian Arabica coffees in India and Worldwide.

Threats

Even as the world recovers from recession, with the difficult trading environment, intense competition and changing consumer behaviour, the Company will continue to face challenges in its business because of the prevailing external environment.

8. Risks and concerns

Apart from external factors outlined earlier a major challenge for our business is management of cost pressures including commodity cost volatility. Project to identify and implement cost rationalisation initiatives and improve competitiveness are being actively pursued.

9. Human Relations and Industrial Relations

Renewed organisation focus

A review of organisation structure was carried out during the year. This led to consolidation of business regions to enable better integration even as it delivered some cost savings. Further changes to improve efficiency including better integration of product development and marketing initiatives are under implementation.

Talent and capability

During the reshaping of the organisational design, we maintained a strong focus on attracting and nurturing talent while developing capabilities within the business to prepare us for growth. Our newly-developed Organisation Resource Review (ORR) process made a significant impact during its first year, enabling us to identify critical roles and key talent in alignment with organisation design, development and succession.

The industrial relations situation across all locations of the Tata Global Beverages Group remained harmonious. The total number of employees on the rolls of Tata Global Beverages Limited as of 31st March, 2012 was 2,218. The beverage group which includes the Company's subsidiaries employs more than 8,000 people, including plantation workers.

10. Internal Controls and Governance

Your Company has adequate internal controls and systems 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 senior management also periodically reviews the internal controls and follow up on audit observations. The Tata Code of Conduct 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 the Company's objectives, projections, outlook, expectations, estimates, among others 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, among others over which the Company does not have any direct control.

12. Conclusion

The Company grew continually despite cost pressures, particularly from tea and coffee commodity prices, coupled with a challenging trading environment. The Group was successful in passing on cost increases and maintaining its strong position in key markets. The Group continues to integrate and build global capabilities, while investing in its brands, products and growth areas.



1. Company's Philosophy on Code of Governance

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

As a global organisation the corporate governance practices followed by your Company are compatible with international standards and best practices. As a responsible corporate citizen, your Company 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 your Company's operating plans and are not meant for building of image or publicity.

2. Board of Directors

As on 31st March, 2012 the Company had 12 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 83.33% of the Board comprises of non-executive directors. In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, at least 50% of the Board should comprise of non-executive independent directors. The non-executive independent directors constituted 50% of the Board as at 31st March 2012.

A. Composition & Category of Directors, attendance of each Director at the Board Meetings and at 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 31st March, 2012

Category	Number of Directors	%
Non-independent directors	4	33.33
Managing & Executive directors	2	16.67
Non-Executive Independent directors	6	50.00
	12	100.00

During 2011-12, Mr. P D Unsworth, Non-Executive non-Independent Director resigned from the Board with effect from 30th June, 2011 for personal reasons. Mr. Ajay Shankar, Non-Executive Independent Director resigned from the Board with effect from 26th November, 2011 consequent to his taking up an assignment with the Government of India as Member Secretary of the National Manufacturing Competitiveness Council.

Mr. Ajoy Misra joined the Board as Director and Executive Director with effect from 1st December, 2011.

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 31st March, 2012 are given in the following table:

Name of Director	Position	Attendance at		Directorships and Chairman/ Membership of Board Committees in other Indian public companies		
		Board Meetings	Last AGM	Director	Committee Member	Committee Chairman
Mr. R N Tata	C, NED & NI	4	Yes	10	-	-
Mr. R K Krishna Kumar	VC, NED & NI	7	Yes	12	2	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	2	No	11	-	-
Mr. J S Bilimoria	NED & I	5	Yes	9	3	4
Mr. F K Kavarana	NED & NI	4	Yes	9	4	2
Mr. A R Gandhi	NED & NI	7	Yes	11	4	2
Mr. V Leeladhar	NED & I	7	Yes	2	-	-
Mrs. Ranjana Kumar	NED & I	6	Yes	5	2	1
Mr. P D Unsworth*	NED & NI	1	NA	NA	-	-
Mr. P T Siganporia	MD	7	Yes	2	-	-
Mr. Ajay Shankar**	NED & I	4	Yes	NA	-	-
Mr. Ajoy Misra ***	ED	2	NA	2	2	-

* Resigned as Director from 30.6.2011

** Resigned as Director from 26.11.2011

*** Appointed as Executive Director with effect from 1st December, 2011

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

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

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



B. Non-executive directors' compensation and disclosures

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

C. Other provisions as to Board and Committees

During 2011-12, the Board met seven times on 24th May 2011, 10th August 2011, 30th August 2011, 28th October 2011, 25th November 2011, 25th January 2012, and 27th March 2012. The maximum time gap between two board meetings was less than four months. As will be noted from the table given above no director is member of more than 10 Board Committees or Chairman of more than 5 Board Committees across all companies where he/she is a Director.

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

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 2011-12 all Board members and Senior Management personnel of the Company have affirmed compliance with the code as applicable to them.

3. Audit Committee

i. Brief description of the terms of reference

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

- a. Review of the quarterly and half yearly financial results with the management and the statutory auditors;
- b. Review with the management and statutory auditors of the annual financial statements before submission to the Board;
- c. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;
- d. Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;
- e. Review of the financial reporting process and disclosure of financial information;

- f. Review of the adequacy of the internal audit function;
- g. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
- h. Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;
- i. Authority to investigate into any matter covered by Section 292A of the Companies Act, 1956;
- j. Reviewing the Company's financial and risk management policies.

ii. Composition, names of members and Chairperson

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

Mr. 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 30th August, 2011.

The composition of the Committee as on 31st March, 2012 and particulars of attendance by the members are given in the table below:

Name	Category	No. of meetings during 2011-12	
		Held	Attended
Mr. J S Bilimoria	Independent, Non-Executive	8	6
Mr. R K Krishna Kumar	Non-independent, Non-Executive	8	5
Mr. A R Gandhi	Non-independent, Non-Executive	8	6
Mr. U M Rao	Independent, Non-Executive	8	8
Mr. V Leeladhar	Independent, Non-Executive	8	8
Mrs. Ranjana Kumar	Independent, Non-Executive	8	5

iii. Meetings and attendance during the year

During 2011-12, eight Audit Committee meetings were held on 26th April 2011, 23rd May, 2011, 9th August 2011, 18th August 2011, 27th October 2011, 10th January 2012, 24th January 2012 and 22nd March 2012. 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.

Management and Governance

Report on Corporate Governance



continued

ii. Composition, name of members and Chairperson

The Remuneration/ESOS Compensation Committee consists of 6 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 31st March, 2012 and particulars of attendance by the members are given in the table below:

Name	Category	No. of meetings during 2011-12	
		Held	Attended
Mrs. Ranjana Kumar	Independent, Non-Executive	2	2
Mr. R K Krishna Kumar	Non-independent, Non-Executive	2	2
Mr. U M Rao	Independent, Non-Executive	2	2
Mr. A R Gandhi	Non-independent, Non-Executive	2	2
Mr. J S Bilimoria	Independent, Non-Executive	2	1
Mr. V Leeladhar	Independent, Non-Executive	2	2

iii. Meeting and Attendance during the year

The Remuneration Committee met twice during 2011-12 on 24th May 2011 and 28th October 2011, the particulars of attendance are mentioned in Note no. 4(ii) above.

iv. Remuneration policy

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

v. Details of remuneration to all the Directors

	Mr. P T Siganporia Rs. in Lakhs	Mr. Ajoy Misra** Rs. in Lakhs
Salary	59.28	13.49
Allowances & Perquisites	–	2.38
Contribution to Retiral Funds	20.94	4.76
Commission (relating to 2010-11)	–	NA
Stock option	–	–
No. of Shares held	2,640	–
Service Contract	1 year from 1st July 2011	5 years from 1st December 2011
Notice period	6 Months	6 Months

** For the period 1st December 2011 to 31st March 2012

In addition both Mr. Siganporia and Mr. Ajoy Misra drew the following remuneration and commission from an overseas subsidiary of the Company, namely, Tata Global Beverages Group Limited:

	Mr. P T Siganporia Rs. in Lakhs	Mr. Ajoy Misra** Rs. in Lakhs
Salary and Bonus	213.45	48.33
Allowances & Perquisites	55.83	9.17

- Notes:**
1. The remuneration drawn in GBP has been converted into INR at average exchange rate.
 2. The drawal of remuneration by Mr. Siganporia from the overseas subsidiary was approved by the Shareholders at the Annual General Meeting held on 30th August 2011.
 3. The approval of shareholders for drawal of remuneration by Mr. Ajoy Misra is being taken in the ensuing Annual General Meeting.

Non-Executive Directors' Remuneration paid in 2011-12

	Commission Rs. in Lakhs (Relating to 2010-11)	Sitting Fees Rs. in Lakhs	No. of shares held as on 31.3.2012
Mr. R N Tata	40	0.90	20,400
Mr. R K Krishna Kumar	37	2.90	90,000
Mr. U M Rao	23	3.80	–
Mr. F K Kavarana	10	1.30	–
Mr. A R Gandhi	21	3.10	–
Mrs. M Srinivasan	4	0.40	–
Mr. A Singh	2	0.40	–
Mr. V Leeladhar	17	3.50	–
Mr. J S Bilimoria	26	2.40	–
Mrs. Ranjana Kumar	17	2.40	–
Mr. P D Unsworth (Ceased to be a director with effect from 30th June 2011)	NA	0.20	N.A.
Mr. Ajay Shankar (Ceased to be a director with effect from 26th November 2011)	5	1.00	N.A.

- Notes:**
1. The resolutions appointing these directors do not provide for payment of severance fees.
 2. The above excludes Rs. 21.24 Lakhs being post-retirement pension benefit paid/payable to a former Managing Director.



5. Shareholders'/Investors' Grievance Committee

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

As on 31st March 2012, the Shareholders'/Investors' Grievance Committee comprised of 3 members, with Mr. F K Kavarana as the Chairman of the Committee and Mr. U M Rao and Mr. V Leeladhar as members. Mr. V Leeladhar was inducted as a member of the Committee w.e.f. 27.3.2012. Mr. Ajay Shankar ceased to be a member of the Committee w.e.f. 26.11.2011.

The Committee held three meetings during 2011-12 on 10th August 2011, 28th October 2011 and 27th March 2012. 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 2011-12	
		Held	Attended
Mr. F K Kavarana	Non-independent, Non-Executive	3	2
Mr. U M Rao	Independent, Non-Executive	3	3
Mr. Ajay Shankar (upto 26.11.2011)	Independent, Non-Executive	3	2
Mr. V Leeladhar (w.e.f. 27.3.2012)	Independent, Non-Executive	3	1

ii. Name and designation of Compliance Officer

Mr. V. Madan, Vice-President & Secretary, is the Compliance Officer.

iii. Number of shareholders' complaints received so far, Number not solved to the satisfaction of shareholders and Number of pending complaints

Given below are the position of queries/complaints and other correspondences received and attended to during 2011-12 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	1,634	Nil
Other Letters received from shareholders and Depositors	2,272	Nil
Queries/Complaints redressed	3,884	Nil
Pending queries/Complaints as on 31.03.2012*	22	Nil

* Replied in April 2012

Every letter received from the investors is replied and the response time for shareholders' correspondences during 2011-12 is shown in the following table :

	Number	%
Total number of correspondences received during 2011-12	3,906	100.00
Replied within 1 to 4 days of receipt	2,401	61.47
Replied within 5 to 7 days of receipt	855	21.89
Replied within 8 to 15 days of receipt	620	15.87
Replied after 15 days of receipt*	8	0.20
Received in last week of March 2012 and replied in April 2012	22	0.57

*These correspondences involved retrieving of old records, co-ordination with Advocates and hence took longer time to deal with.

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

Response Time



The shares of the Company are traded in dematerialised form. A table showing the requests received for dematerialisation/transfer during 2011-12 is given below:

	Transfers No. of requests	Transfers No. of Shares	Demats No. of requests	Demats No. of Shares
Lodged	547	11,78,431	1,226	34,60,416
Processed	348	8,96,562	859	27,34,735
Objections	193	2,75,229	347	6,79,991
Pending as on 31.03.2012*	6	6,640	20	45,690

* These transfers and Demat requests were lodged in the last week of March 2012 and were processed in April 2012.

Note: 96.69% of the issued share capital of the Company is held in dematerialised form as on 31.03.2012.



6. Other Board Committees

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

Name of Committee	Members (as at 31st March 2012)	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 & 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 2011-12 one meeting each of the Nomination Committee and Ethics & Compliance Committee and 2 meetings of the CSR Committee were held. No meeting of the Executive Committee was held during 2011-12.

7. General Body Meetings

i. Location and time, where last three AGMs held, Whether any special resolutions passed in the previous 3 AGMs

The last three Annual General Meetings of the Company were held as under:-

Year	Location	Date	Time	No. of Special Resolutions approved at the AGM
2008-09	The Oberoi Grand 15, Jawaharlal Nehru Road, Kolkata-700013	1st September 2009	10.30 a.m.	3
2009-10	Same as above	23rd August 2010	10.30 a.m.	Nil
2010-11	Same as above	30th August 2011	10.30 a.m.	1

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

During 2011-12 no special resolutions was approved by the Shareholders through Postal Ballot.

iii. Person who conducted the postal ballot exercise

Not applicable.

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.

8 Disclosures

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

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

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

There was no such instance in the last three years.

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

The Board has approved a whistle-blower policy which has been communicated to the employees. The policy provides a mechanism for employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of Company's code of conduct and provides safeguards against victimisation of employees who avail the mechanism. The policy permits reporting any concern relating to (i) financial/accounting matters and (ii) employees at the levels of Vice-Presidents and above as also the Ethics counsellors directly to the Chairman of the Audit Committee. For all other matters the concern can be reported to the Ethics counsellor of the Company. The policy with the name and address of Chairman of 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 2011-12.

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 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 30th September, 2011 were sent by post to the shareholders in November 2011.

ii. Newspapers wherein results normally published

The quarterly results are generally published in The Statesman, Business Standard 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 25th May 2011 after the results of the financial year 2010-11 were approved by the Board. Similar presentations were made to the analysts on 10th August 2011, 25th January 2012 and 28th October, 2011 after the financial results for the quarters ended 30th June 2011, 31st December 2011 and six months ended 30th September, 2011 respectively were approved by the Board. These presentations have been put up on the Company's website.

10. General Shareholders information

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

Annual General Meeting: Friday, 31st August, 2012 at 10.30 a.m.
at The Oberoi Grand
15 Jawaharlal Nehru Road, Kolkata – 700 013

Financial Calendar: (tentative)	Board Meetings for approval of:	
	Annual Accounts 2011-12	- 23rd May 2012
	Financial results for 1st Quarter 2012-13	- Third week of July, 2012
	Financial results for 2nd Quarter 2012-13	- Last week of October, 2012
	Financial results for 3rd Quarter 2012-13	- Last week of January, 2013
	Annual Accounts 2012-13	- Last week of May, 2013

Book Closure Period: 11th August, 2012 to 31st August, 2012
(both days inclusive)

Dividend payment date: 3rd September, 2012

ii. Listing on Stock Exchanges & 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, Guwahati – 781 008
b. Global Depository Shares	<p>Luxembourg Stock Exchange London Stock Exchange</p> <p>Stock Code Calcutta Stock Exchange - 27 (For Physical); - 10000027 (For Demat) Bombay Stock Exchange - 500800 National Stock Exchange - 'TATAGLOBAL' Guwahati Stock Exchange - L-784</p> <p>Demat ISIN Number National Securities Depository Ltd. – INE 192A01025 Central Depository Services Ltd. – INE 192A01025</p> <p>Listing Fees Annual listing fees for 2011-12 has been paid to all the Stock Exchanges where the securities of the Company are listed</p>

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 2011	110.40	97.65	110.25	97.80
May 2011	103.30	85.50	103.15	85.30
June 2011	101.45	87.45	101.40	87.90
July 2011	109.05	95.75	109.00	95.65
August 2011	115.40	85.65	115.30	85.55
September 2011	96.90	83.10	96.80	84.20
October 2011	93.10	80.50	93.05	80.90
November 2011	93.35	80.00	93.50	80.00
December 2011	92.80	83.80	92.50	83.50
January 2012	100.80	86.00	100.90	89.25
February 2012	128.80	107.40	128.70	107.50
March 2012	126.45	106.25	126.35	106.40

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 the year 2011/12.

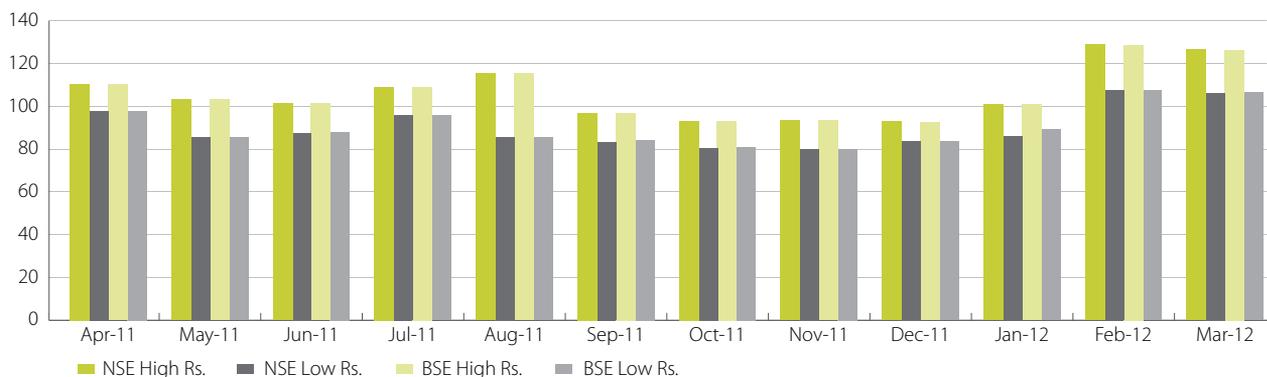
Management and Governance

Report on Corporate Governance



continued

The market price data is graphically represented below:



iv. Performance in comparison to broad-based indices

Company's share price

- As at 1st April 2011
- As at 31st March 2012
- Change

Indices

- As at 1st April 2011
- As at 31st March 2012
- Change

NSE

BSE

S & P CNX NIFTY

BSE 100

- As at 1st April 2011	97.75	98.00
- As at 31st March 2012	112.35	111.05
- Change	14.9%	13.3%
- As at 1st April 2011	5,835.00	10,100.53
- As at 31st March 2012	5,295.55	9,066.58
- Change	(10%)	(11%)

v. Registrar & Transfer Agent :

Registered office:

TSR Darashaw 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

E-mail : 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
E-mail: tsrdlbg@tsrdarashaw.com

3. TSR Darashaw Ltd.
Tata Centre, 1st Floor,
43, J L Nehru Road,
Kolkata - 700 071
Tel: 033-22883087, Fax: 033-22883062
E-mail: tsrdlcal@tsrdarashaw.com

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

4. TSR Darashaw Ltd.
2/42 Sant Vihar,
Ansari Road, Daryaganj
New Delhi – 110 002
Tel: 011-23271805, Fax: 011-23271802
E-mail: tsrdldel@tsrdarashaw.com

Agent of the Registrar
Shah Consultancy Services Limited
3, Sumathinath Complex,
Pritam Nagar, Akhada Road, Ellisbridge,
Ahmedabad - 380 006
Telefax : 079-26576038
E-mail: shahconsultancy8154@gmail.com

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

Shareholders' Relation Cell :

Mr. V Madan, Vice-President & Secretary
Mr. S M Pramod, Sr. Manager - Secretarial
Tata Global Beverages Ltd.
"Kirkoskar Business Park"
4th Floor, Block "C", New Air Port Road,
Hebbal, Bangalore-560024
Tel: 080-67171200, Fax: 080-67171201
Website: www.tataglobalbeverages.com
E-mail : investor.relations@tataglobalbeverages.com

Mr. Gautam Mukherjee
Tata Global Beverages Ltd.
1, Bishop Lefroy Road,
Kolkata - 700 020
Tel: 033-22836917
Fax: 033-22833032
E-mail: 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 & Share Transfer Agent, TSR Darashaw 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 31st March, 2012:

No. of Shares	Holding	Amount (Rs.)	% to Capital	No. of Holders	% to Total Holders
1 to 500	1,57,62,640	1,57,62,640	2.55	1,00,508	73.88
501 to 1000	1,10,34,353	1,10,34,353	1.78	13,270	9.76
1001 to 2000	1,29,93,622	1,29,93,622	2.10	8,543	6.28
2001 to 3000	1,02,53,486	1,02,53,486	1.66	4,058	2.98
3001 to 4000	77,47,058	77,47,058	1.25	2,202	1.62
4001 to 5000	80,86,859	80,86,859	1.31	1,743	1.28
5001 to 10000	2,22,73,020	2,22,73,020	3.60	3,120	2.29
Greater than 10000	53,02,47,532	53,02,47,532	85.75	2,598	1.91
Total	61,83,98,570	61,83,98,570	100.00	1,36,042	100.00

Management and Governance

Report on corporate governance

continued

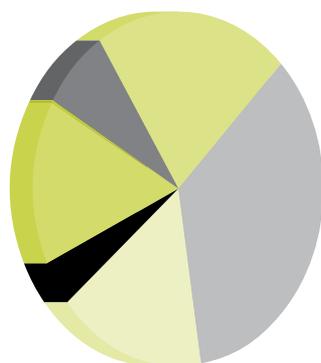


Categories of Shareholders as at 31st March, 2012

Sr. No.	Particulars	No. of holders	Holdings/Shares held	% to Capital
1	Tata Group Companies	9	21,76,83,190	35.20
2	Indian Financial Institutions	34	10,13,81,431	16.40
3	State Government	1	5,850	0.00
4	Nationalised Banks	22	1,36,830	0.02
5	Mutual Funds	65	2,45,86,630	3.98
6	Foreign Institutional Investors/Foreign Companies	138	9,41,73,139	15.23
7	GDS Depositories	1	1,44,125	0.02
8	Other Companies	2,115	4,65,86,635	7.53
9	Individuals and Others	1,33,657	13,37,00,740	21.62
	Total	1,36,042	61,83,98,570	100.00

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

Category of shareholders



Tata Group Companies	217683190
Indian Financial Institutions	101381431
State Government	5850
Nationalised Banks	136830
Mutual Funds	24586630
Foreign Institutional Investors/ Foreign Companies	94173139
GDS Depositories	144125
Other Companies	46586635
Individual and others	133700740

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 & 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 on 31st March, 2012, the outstanding Global Depository Shares were 1,44,125. The GDSs are convertible into fully paid equity shares on 1:1 basis. The underlying shares against the outstanding GDSs have been allotted in the name of the Depository. There is no ADR or convertible instrument outstanding as on 31st March, 2012.

- 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 - 562123;
 - b) Perikanal Estate, PO Munnar, Dist. Idukki, Kerala - 685612 ;
 - c) Pullivasal Estate & Packeting centre- PO Munnar, Dist. Idukki, Kerala - 685612;
 - d) Instant Tea Operations, Post Box no. 3, Idukki district, Munnar, Kerala - 685612 (including Nullatani factory) and
 - e) Tetley (Tea Bag) Division: 73/74 KPK Menon Road; Willingdon Island, Kochi, Kerala – 682003 and an extension unit at 40, Milne Road, Willingdon Island, Kochi, Kerala-682003

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
31st March 2005	11.8.2005	August 2012	September 2012
31st March 2006	11.8.2006	August 2013	September 2013
31st March 2007	13.8.2007	August 2014	September 2014
31st March 2008	25.8.2008	August 2015	September 2015
31st March 2009	04.9.2009	September 2016	October 2016
31st March 2010	27.8.2010	August 2017	September 2017
31st March 2011	02.9.2011	September 2018	October 2018

Following are the details of unpaid dividends, interest on deposits and repayment of deposits which will be due for transfer to IEPF upto 31st March, 2013:

Nature of payment	Date of payment to be claimed by	Unpaid dividend	Transfer to IEP Fund in
Dividend	11.8.2005	August 2012	September 2012
Interest on Fixed deposits	1.4.2005 to 31.3.2006	One month before the due date of transfer to IEPF Fund	7 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 IEPF Fund	7 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, a certificate from M/s. N M Rajji & Co., the joint Auditor of the Company 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 2009, the Tata Group has suitably revised the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure practices which your Company has adopted. Mr. K. Venkataramanan, Vice-President – Finance of the Company, is the compliance officer for the purpose of these regulations.

14. Top Ten Shareholders

As at 31st March 2012 the top ten shareholders of the Company were as follows:

Name of the Shareholder	No of shares	% of the Shareholding
Tata Sons Limited	14,28,54,570	23.10
Life Insurance Corporation of India	7,60,27,598	12.29
Tata Chemicals Limited	4,31,75,140	6.98
Tata Investment Corporation Limited	2,75,00,000	4.45
Bajaj Allianz Life Insurance Company Limited	2,67,42,426	4.33
Government Pension Fund Global	2,09,54,633	3.39
Skagen Kon-Tiki Verdipapirfond	1,36,26,721	2.20
National Insurance Company Limited	70,15,780	1.13
The New India Assurance Company Limited	65,48,970	1.06
General Insurance Corporation of India	56,37,320	0.91

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 2011-12.

For **Tata Global Beverages Limited**

(PT Siganporia)
Managing Director

29th June, 2012

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

To the Members of Tata Global Beverages Limited

We have examined the compliance of conditions of Corporate Governance by Tata Global Beverages Limited (the Company) for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the directors and the management, we certify the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement during 2011-12.

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

N. M. RAIJI & CO.

Firm Registration No. 108296W

Chartered Accountants

J. M. GANDHI

Partner

Membership No. 037924

29th June, 2012



To the Members of **Tata Global Beverages Limited**

1. We have audited the attached Balance Sheet of Tata Global Beverages Limited (the "Company") as at March 31, 2012, and the related Statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss 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 March 31, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012 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 March 31, 2012;
 - (ii) in the case of the Statement of Profit and Loss, 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

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

J M Gandhi
Partner
Membership No. 037924
Mumbai, May 23, 2012

Dibyendu Majumder
Partner
Membership No. 057687
Mumbai, May 23, 2012



Referred to in paragraph 3 of the Auditors' Report of even date to the members of Tata Global Beverages Limited on the financial statements as of and for the year ended March 31, 2012

1. (a) The Company is maintaining 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 of by the Company during the year.
2. (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially 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.
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 aggregated to Rs. 13,000 lakhs and Rs. 10,000 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, as applicable.
- (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 and 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 the 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 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 and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, wealth tax, service tax, customs duty and excise duty as at March 31, 2012 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of the 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	11.89	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	The West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
West Bengal Value Added Tax Act, 2003	Value Added Tax	119.97	2007-2008	Sr Joint Commissioner Commercial Taxes, Kolkata (South) Circle
	Central Sales Tax	1.89	2007-2008	Sr Joint Commissioner Commercial Taxes, Kolkata (South) Circle
Kerala General Sales Tax Act, 1963	Sales Tax	12.00	1998-1999	Sales Tax Appellate Tribunal, Ernakulam
	Sales Tax	43.74*	1996-1997 to 2000-2001 and 2002-2003	Deputy Commissioner (Appeals), Commercial Taxes, Ernakulam
	Sales Tax	2.76	1994-1995 to 1996-1997	The Assistant Commissioner (Assessment), Special Circle, Produce, Sales Tax office, Mattancherry
Central Sales Tax Act, 1956	Sales Tax	12.14	1998-1999	Sales Tax Appellate Tribunal, Ernakulam
	Sales Tax	20.14	1999-2000, 2000-2001, 2002-2003 and 2006-2007	Deputy Commissioner (Appeals), Commercial Taxes, Ernakulam
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	262.45	2003-2004 to 2008-2009	High Court of Madhya Pradesh
Tamilnadu General Sales Tax Act, 1959	Sales Tax	57.08*	2001-2002 to 2006-2007	DCTO, Tamilnadu

Name of the statute	Nature of the dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
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

(*) net of payments.

10. The Company has no accumulated losses.
11. According to the records of the Company examined by us and the information and explanations 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, the term loans have been applied, on an overall basis, 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. 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/ 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 any such case by the Management.

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

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

J M Gandhi
Partner
Membership No. 037924
Mumbai, May 23, 2012

Dibyendu Majumder
Partner
Membership No. 057687
Mumbai, May 23, 2012

Financial Statements and Notes
Balance Sheet

as at 31st March 2012

Rs. in Lakhs

	Note	2012	2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	6183.99	6183.99
Reserves and Surplus	4	214826.74	221010.73
			199461.27
			205645.26
Non-Current Liabilities			
Long-Term Borrowings	5	32502.83	32500.00
Other Long Term Liabilities	6	6345.53	6568.45
Long-Term Provisions	7	6470.93	45319.29
			4851.47
			43919.92
Current Liabilities			
Short-Term Borrowings	8	4182.20	18046.83
Trade Payables	9	14010.41	12513.55
Other Current Liabilities	10	12072.68	11900.74
Short Term Provisions	11	19962.13	50227.42
			18497.86
			60958.98
Total		316557.44	310524.16
ASSETS			
Non-Current Assets			
Fixed Assets	12		
Tangible Assets		11654.88	10902.28
Intangible Assets		2353.86	299.63
Capital work in progress		268.78	156.00
Intangible Assets under development		-	14277.52
			1242.02
			12599.93
Non-Current Investments	13	216361.10	216654.41
Deferred Tax Assets (net)	14	1771.01	879.75
Long-Term Loans and Advances	15	3739.65	4303.67
Other Non-Current Assets	16	3060.00	224931.76
			60.00
			221897.83
Current Assets			
Current Investments	17	4209.03	12436.30
Inventories	18	45346.85	42991.16
Trade Receivables	19	9063.76	10189.66
Cash and Bank Balances	20	1747.30	687.22
Short-term Loans and Advances	21	16366.40	9204.49
Other Current Assets	22	614.82	77348.16
			517.57
			76026.40
Total		316557.44	310524.16
Summary of Significant Accounting Policies	2		

The Notes are an integral part of the Financial Statements

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

For N. M. Raiji & Co.

 Firm Registration No. 108296W
Chartered Accountants

J M Gandhi

 Partner
Membership No. 037924

Mumbai, May 23, 2012

For Lovelock & Lewes

 Firm Registration No. 301056E
Chartered Accountants

Dibyendu Majumder

 Partner
Membership No. 057687

R N Tata

Chairman

R K Krishna Kumar

Vice-Chairman

J S Bilimoria
A R Gandhi
V Leeladhar
U M Rao
Ranjana Kumar
Directors

PT Siganporia

Managing Director

V Madan

 Vice-President and
Secretary

Financial Statements and Notes
Statement of Profit and Loss

for the year ended 31st March 2012

Rs. in Lakhs

	Note	2012	2011
INCOME			
Revenue from Operations			
Net of Excise duty Rs. 18.97 Lakhs (Rs. 30.58 Lakhs)	23	203528.97	181111.47
Other Income	24	9409.46	11296.70
Total Revenue		212938.43	192408.17
EXPENSES			
Cost of Materials Consumed	25	129340.86	120310.22
Purchases of Stock in Trade		164.69	103.49
Change in Inventories of Finished Goods and Stock - in -trade	26	(977.82)	(2578.20)
Employee Benefits Expense	27	10069.27	9545.35
Finance Costs	28	2704.04	4057.47
Depreciation and Amortisation Expense		1204.24	1235.58
Other Expenses	29	41754.91	39041.03
Total Expenses		184260.19	171714.94
Profit before Exceptional Items and Taxes		28678.24	20693.23
Exceptional Items (Net)	30	8312.86	2329.48
Profit before Tax		36991.10	23022.71
Tax Expenses			
Current Tax		7614.00	5761.92
Deferred Tax		(891.26)	(797.72)
		6722.74	4964.20
Profit for the year		30268.36	18058.51
Earnings per Equity Share (Nominal Value per share Re. 1 each (Re. 1))			
Basic and Diluted		4.89	2.92
Number of shares in computing Earning per Share			
Basic and Diluted		618398570	618398570
Summary of Significant Accounting Policies	2		

The Notes are an integral part of the Financial Statements.

This is the Statement of Profit and Loss 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

J S Bilimoria
A R Gandhi
V Leeladhar
U M Rao
Ranjana Kumar

Directors

P T Siganporia

Managing Director

J M Gandhi

Partner

Membership No. 037924

Dibyendu Majumder

Partner

Membership No. 057687

R K Krishna Kumar

Vice-Chairman

V Madan

Vice-President and

Secretary

Mumbai, May 23, 2012

Financial Statements and Notes

Cash Flow Statement

for the year ended 31st March 2012



Rs. in Lakhs

	2012	2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	36991.10	23022.71
<i>Adjusted for:</i>		
Depreciation	1204.24	1235.58
Dividend Income	(6784.93)	(9193.99)
Unrealised Exchange Loss / (Gain)	111.16	47.47
Finance Cost	2704.04	4057.47
Interest Income	(2600.82)	(2072.74)
Profit on sale of Current Investments (net)	-	(0.33)
Provision for Doubtful Debts and Advances	210.13	9.29
Liabilities no longer required written back	(884.65)	(467.96)
Debts and Advances written off	2.18	1.36
Provision for Doubtful Debts/Advances no longer required written back	-	(1.32)
Loss on sale / discard of Fixed Assets (net)	23.15	161.00
Exceptional Expenses	5408.59	2110.56
Profit on Sale of Long Term Trade Investments	(13721.45)	(4440.04)
	(14328.36)	(8553.65)
Operating Profit before working capital changes	22662.74	14469.06
<i>Adjustments for:</i>		
Trade Receivables	1125.90	1441.28
Other Receivables	456.01	(761.79)
Inventories	(2355.69)	(5177.35)
Trade Payables	2125.54	669.76
	1351.76	(3828.10)
Cash generated from Operations before Exceptional Items	24014.50	10640.96
Outflow on account of Exceptional Expenses	(3138.25)	(813.10)
Direct Taxes paid (net)	(7216.11)	(6744.26)
	(10354.36)	(7557.36)
Net Cash from / (used in) Operating Activities	13660.14	3083.60
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3226.85)	(3110.95)
Sale of Fixed Assets	51.16	12.89
Purchase of Long Term Investments	(80.00)	(7559.23)
Sale/Redemption of Long Term Investments	23404.99	4686.76
Investment in Joint Ventures	(5000.00)	(252.50)
Investments in a Subsidiary	(2806.91)	-
Redemption of Investments in Subsidiaries	2209.02	2,209.03
Placement / Redemption of Current Investments (net)	4514.92	7170.52
Dividend Income	6784.93	9193.99
Interest Income received	2773.57	2392.61
Fixed deposit placed with banks having maturity over 1 year	(3000.00)	-
Inter Corporate Deposits & Loans Placed	(10000.00)	(5000.00)
Inter Corporate Deposits & Loans Redeemed	2500.00	6000.00
Net Cash from / (used in) Investing Activities	18124.83	15743.12

Rs. in Lakhs

	2012	2011
C. CASH FLOW FROM FINANCING ACTIVITIES		
Debenture 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)
Repayment of Long Term Borrowings	-	(321.43)
Working Capital Facilities (net)	(13861.80)	922.03
Dividend paid	(12367.97)	(12367.97)
Dividend Tax paid	(1832.23)	(1920.44)
Finance Cost	(2713.31)	(5005.77)
Net Cash from / (used in) Financing Activities	(30775.31)	(18707.57)
Net increase / (decrease) in Cash and Cash Equivalents	1009.66	119.15
D. CASH AND CASH EQUIVALENTS		
Opening Balance	269.79	155.84
Exchange Gain/(Loss) on translation of foreign currency cash/cash equivalents	1.34	(5.20)
Cash and Cash equivalents at end of the year	1280.79	269.79
Earmarked Balances with Banks	466.51	417.43
Cash and Bank balances at the end of the year	1747.30	687.22

Notes:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard on 'Cash Flow Statements (AS-3)' issued by Companies (Accounting Standards) Rules, 2006.
2. Previous year's figures have been rearranged/regrouped wherever necessary.

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

J S Bilimoria

A R Gandhi

V Leeladhar

U M Rao

Ranjana Kumar

Directors

P T Siganporia

Managing Director

J M Gandhi

Partner

Membership No. 037924

Dibyendu Majumder

Partner

Membership No. 057687

R K Krishna Kumar

Vice-Chairman

V Madan

Vice-President and

Secretary

Mumbai, May 23, 2012



1. General Information:

Tata Global Beverages Limited (“the holding company”) and its subsidiaries, joint ventures and associates (together, “the Group”) is a global beverages company engaged in the trading, production and distribution of Tea, Coffee, Water and other beverage products. The group has branded beverage business operations mainly in India, Europe, US, Canada and Australia, plantation business in India and extraction business mainly in India and US.

2. 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.

The presentation of the accounts is based on the revised Schedule VI of the Companies Act, 1956, applicable from the current financial year. Accordingly previous year figures are realigned to make it comparable with current year.

All assets and liabilities are classified into current and non-current generally based on criteria of realisation/settlement within twelve months period from the Balance Sheet date.

(b) Fixed Assets and Depreciation

i) Tangible

Tangible Assets are carried at cost of acquisition less accumulated 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 tangible assets including assets created on lands under lease is provided on straight-line method in accordance with Schedule XIV to the Companies Act, 1956 based on useful life as estimated by the management. Renewal of land leases is assumed, consistent with past practice.

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

ii) Intangible

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment loss, if any.

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.

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

Product development cost incurred on new products is recognised as Intangible Assets and are amortised over a period of ten years.

(c) Impairment

At each Balance Sheet date, the management reviews the carrying amounts of each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset’s net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognised as income in the statement of profit and loss.

(d) Borrowing Costs

Borrowing cost includes interest, ancillary costs incurred in connection with the arrangement of borrowings and exchange difference arising from foreign currency borrowings to the extent they are regarded as adjustment to the interest cost.

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

(e) 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.

(f) 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.

(g) Foreign Currency Transactions

Transactions in foreign currencies are recorded at average fortnightly spot rates. The exchange difference resulting from settled transactions is recognised in the statement of profit and loss. 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 statement of profit and loss.

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 statement of profit and loss.

(h) Revenue Recognition

- (i) Sales are recognised on when the substantial risks and rewards of ownership in the goods are transferred to the buyer 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 contractual agreements/arrangements.
- (iii) Export incentives are accounted on accrual basis.

(i) Other Income

Interest income and income from investments are accounted on accrual basis.

Dividend income is recognised when the right to receive dividend is established.

(j) 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.

(k) 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.



continued

(l) 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. In respect of PF contribution made to a Self Administered Trust, the Company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognises such contribution and shortfall, if any, as an expense in the year incurred.

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 statement of profit and loss.

The Company recognises in the statement of profit and loss, 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 statement of profit and loss. 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 Statement of profit and loss in the year in which it is incurred.

(m) Research and Development

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

(n) Taxes on Income

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets.

Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(o) Financial Instruments

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

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

(p) Leases

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially assumed all risks and rewards of ownership are classified as finance lease. Such a lease is capitalised at the inception of the lease period at lower of fair value or present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on a straight-line basis.

(q) Cash and Cash Equivalent

Cash and Cash equivalents for the purpose of cash flow statement comprise of cash at bank and in hand and short term investments/ bank deposits with an original maturity of three months or less.

(r) Provisions

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

	Rs. in Lakhs	
	2012	2011
3. Share Capital		
Authorised		
75,00,00,000 (75,00,00,000) Equity Shares of Re. 1 each	7500.00	7500.00
Issued, Subscribed and Paid-Up		
61,83,98,570 (61,83,98,570) Equity Shares of Re. 1 each, fully paid-up	6183.99	6183.99
	6183.99	6183.99
The details of Shareholders holding more than 5% shares as at 31st March 2012 is set out as below :		
Name of Share holder	No of shares % of holding	No of shares % of holding
Tata Sons Limited	142854570 23.10%	141872070 22.94%
Life Insurance Corporation of India	76027598 12.29%	96578004 15.62%
Tata Chemicals Limited	43175140 6.98%	43175140 6.98%
The reconciliation of the number of shares as at 31st March 2012 is set out below :		
Number of shares as at the beginning of the year	618398570	618398570
Add: Shares issued during the year	-	-
Number of shares as at the end of the year	618398570	618398570

Financial Statements and Notes

Notes forming part of the Financial Statements



continued

	Rs. in Lakhs	
	2012	2011
4. Reserves and Surplus		
Capital Reserve	8.67	8.67
Securities Premium Account	60112.96	66472.50
Less: Deduction during the year*	-	6359.54
	60112.96	60112.96
Debenture Redemption Reserve	8125.00	8125.00
Add: Transferred from Surplus in Statement of Profit and Loss	-	8125.00
Less: Transferred to Surplus in Statement of Profit and Loss	-	8125.00
	8125.00	8125.00
Revaluation Reserve	2186.16	2186.16
Contingency Reserve	100.00	100.00
Hedging Reserve	(757.23)	(1072.90)
Deductions during the year(net)	462.47	315.67
	(294.76)	(757.23)
General Reserve	92960.86	91154.86
Add: Transferred from Surplus in Statement of Profit and Loss	3027.00	1806.00
	95987.86	92960.86
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	36724.85	34625.89
Add: Profit for the year	30268.36	18058.51
Add: Transferred from Debenture Redemption Reserve	-	8125.00
Amount available for appropriation	66993.21	60809.40
Appropriations		
Proposed Dividend	13295.57	12367.97
Provision for Dividend Distribution Tax **	2069.79	1785.58
Transferred to Debenture Redemption Reserve	-	8125.00
Transferred to General Reserve	3027.00	1806.00
Balance at the close of the year	48600.85	36724.85
Total	214826.74	199461.27

* Utilised for Provision for Premium Payable on redemption of 3% Non Convertible Privately Placed Debentures and issue expenses relating to said Debentures.

** Provision for tax on dividend is net of **Rs. 87.08 Lakhs** (Rs. 220.82 Lakhs) relating to earlier years on account of dividend received from subsidiary.

Rs. in Lakhs

	2012	2011
5. Long Term Borrowings		
Secured Loans		
3250 (3250), 3% Non-Convertible, privately placed, Debentures of Rs. 10 lakhs each. Redeemable at premium of Rs.195247 per debenture on 4.11.2013, at the end of 3 years from the date of allotment 4.11.2010.	32500.00	32500.00
Series 1 - 3000 Debentures aggregating to Rs. 30000 Lakhs are secured by way of a first mortgage on certain immovable properties of the Company and first ranking exclusive charge on Long Term Bank Deposit of Rs. 3000 Lakhs.		
Series 2 - 250 Debentures aggregating to Rs. 2500 Lakhs are secured by way of a first mortgage on certain immovable properties of the Company and pledge of shares of certain companies held as investments.		
In the previous year, 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.		
Obligations under Finance Lease	2.83	-
Secured against fixed asset obtained under related finance lease arrangement		
	32502.83	32500.00
6. Other Long Term Liabilities		
Premium Payable on Redemption of Debentures	6345.53	6345.53
Others	-	222.92
	6345.53	6568.45
7. Long Term Provisions		
Employee Benefits	4926.27	4851.47
Future Payment under Contractual Obligations	1544.66	-
	6470.93	4851.47
8. Short Term Borrowings		
Secured Loans		
From Banks		
Working Capital Facilities	4182.20	18046.83
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.		
	4182.20	18046.83
9. Trade Payables		
Trade Payables*	13935.60	12450.40
Due to Micro and Small Enterprises	74.81	63.15
	14010.41	12513.55

* Includes due to Related Parties - **Rs. 1851.24 Lakhs** (Rs. 1566.88 Lakhs)

Financial Statements and Notes

Notes forming part of the Financial Statements



continued

	Rs. in Lakhs	
	2012	2011
10. Other Current Liabilities		
Unpaid Dividends*	466.51	417.43
Interest Accrued but not due on borrowings	397.59	406.86
Statutory Liabilities	966.11	845.27
Security Deposits from Customers	2499.57	2359.00
Current Maturities of Finance Lease Obligations	31.69	-
Others	7711.21	7872.18
	12072.68	11900.74

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund

11. Short Term Provision

Taxation less advance payment Rs. 101363.26 Lakhs (Rs. 94145.48 Lakhs)	3858.04	3461.83
Wealth Tax less advance payment Rs. 296.47 Lakhs (Rs. 283.15 Lakhs)	39.74	38.06
Proposed Dividend	13295.57	12367.97
Tax on Dividend	2156.87	1919.31
Employee Benefits	481.98	710.69
Future Payment under Contractual Obligations	129.93	-
	19962.13	18497.86

	Cost			As at 31.03.2012	Depreciation			Net Book Value		
	As at 01.04.2011	Additions/ Adjustment	Deductions/ Adjustment		As at 01.04.2011	For the Year	Deductions/ Adjustment	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
12. Fixed Assets										
Tangible										
Owned :										
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	4121.92	165.69	13.16	4274.45 @	1101.27	83.71	12.26	1172.72	3101.73	3020.65
Bridges	0.09	-	-	0.09	0.03	-	-	0.03	0.06	0.06
Plant & Equipment	13819.27	1345.69	466.79	14698.17 @	7732.44	795.33	378.19	8149.58	6548.59	6086.83
Furniture, Fixtures & Office Equipment	2358.30	608.89	712.82	2254.37	1355.31	205.88	466.56	1094.63	1159.74	1002.99
Motor Vehicles	294.73	17.84	32.74	279.83	202.18	11.90	23.48	190.60	89.23	92.55
Asset taken on Finance Lease										
Plant and Equipment	-	60.81	-	60.81	-	4.48	-	4.48	56.33	-
Total	21293.51	2198.92	1225.51	22266.92	10391.23	1101.30	880.49	10612.04	11654.88	10902.28
Previous year	20039.64	2001.27	747.40	21293.51	9755.96	1144.17	508.90	10391.23	10902.28	
Intangible										
Capitalised Software	845.09	393.79	-	1238.88	730.46	58.25	-	788.71	450.17	114.63
Patent/Knowhow	-	1763.38	-	1763.38	-	14.69	-	14.69 +	1748.69	-
Non Compete Fee	300.00	-	-	300.00	115.00	30.00	-	145.00 +	155.00	185.00
Total	1145.09	2157.17	-	3302.26	845.46	102.94	-	948.40	2353.86	299.63
Previous Year	1049.82	95.27	-	1145.09	754.05	91.41	-	845.46	299.63	

- 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) (+) Unexpired period of amortisation for Patent/Knowhow is 119 months and Non Compete fees is 62 months.

Rs. in Lakhs

	Class	Nos.	Face Value of each	Rs. in Lakhs	
				2012	2011
13. Non Current-Investments					
Long Term					
Trade Investments					
(Fully paid up and valued at cost)					
(a) Quoted Equity Investments					
Investment in Subsidiaries :					
Tata Coffee Ltd (Note 1) #	Equity Shares	10735982	Rs. 10	16150.65	16150.65
Mount Everest Mineral Water Ltd.	Equity Shares	15328285 (13910653)	Rs. 10	21267.64	18460.73
				37418.29	34611.38
(#) Inclusive of Rs. 2186.16 Lakhs (Rs. 2186.16 Lakhs) kept in Revaluation Reserve					
Others:					
Tata Chemicals Ltd (Note 1)	Equity Shares	11185522 (15385522)	Rs. 10	5032.80	6922.38
The Indian Hotels Co Ltd	Equity Shares	1687742	Re. 1	271.99	271.99
Tata Motors Ltd	Equity Shares	116665 (23333)	Rs. 2 Rs. (10)	46.84	46.84
Tata Motors Ltd	"A" Ordinary Shares	16665 (3333)	Rs. 2 Rs. (10)	10.17	10.17
Tata Investment Corporation Ltd	Equity Shares	160000 (140000)	Rs. 10	236.19	156.19
Tata Steel Ltd	Equity Shares	12021	Rs. 10	17.02	17.02
Titan Industries Ltd	Equity Shares	9248060 (462403)	Re. 1 Rs. (10)	295.24	295.24
Tata Consultancy Services Ltd	Equity Shares	391200	Re. 1	1.21	1.21
				5911.46	7721.04
(b) Unquoted Equity Investments					
Investment in Subsidiaries :					
Tata Tea Extractions Inc	Common Stock	14000000	US\$ 1	5980.46	5980.46
Tata Global Beverages Group Ltd.	Ordinary Shares	70666290	GBP 1	50070.98	50070.98
Tata Global Beverages 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					
Investment in Associates :					
Estate Management Services (Pvt) Ltd.	Ordinary Shares *	15346800	LKR 10	1106.21	1106.21
Amalgamated Plantations Pvt Ltd	Equity Shares	24410000	Rs. 10	2441.00	2441.00
				3547.21	3547.21

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

Financial Statements and Notes

Notes forming part of the Financial Statements



continued

				Rs. in Lakhs	
		Face Value			
Class	Nos.	of each	2012	2011	
13. Non Current-Investments (Contd.)					
Investment in Joint Ventures :					
NourishCo Beverages Limited	Equity Shares	17525000 (2525000)	Rs. 10	1752.50	252.50
Tata Starbucks Limited	Equity Shares	35000000	Rs. 10	3500.00	-
				5252.50	252.50
Others:					
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	Equity Shares	553889	Rs. 10	83.08	83.08
Tata Industries Ltd.	Equity Shares	6519441	Rs. 100	11582.32	11582.32
Kanan Devan Hills Plantations Company (Pvt.) Ltd.	Equity Shares	2500000	Rs. 10	250.00	250.00
Taj Air Ltd.	Equity Shares	4200000	Rs. 10	420.00	420.00
				13315.17	13315.17
(c) Quoted Debentures					
Investment in Subsidiaries :					
Tata Coffee Ltd.	7% Secured Redeemable Non Convertible Debentures	NIL (4418051)	Rs. 50	-	2209.02
				-	2209.02
(d) Unquoted Preference Shares					
Investment in Associates :					
Amalgamated Plantations Pvt Ltd	0.01% Non Cum. Redeemable Preference Shares @	67000000	Rs. 10	6700.00	6700.00
				6700.00	6700.00
@ Redeemable with Special redemption premium.					
(e) Unquoted Debentures					
Investment in Associates :					
Amalgamated Plantations Pvt Ltd	10% Redeemable Non Convertible Debentures	NIL (25816200)	Rs. 10	-	2581.62
				-	2,581.62
Others :					
Infiniti Retail Limited	6% Secured Redeemable Non Convertible Debentures #	NIL (3)	Rs. 500000	-	1500.00
				-	1500.00
# Redeemable with premium of 6.27% on maturity.					

Rs. in Lakhs

		Face Value		2012	2011
Class		Nos.	of each		
13. Non Current-Investments (Contd.)					
Other than Trade (Fully paid up and valued at cost)					
(a) Quoted Equity Investments					
SBI Home Finance Ltd. (Note 2)	Equity Shares	100000	Rs. 10	-	-
(b) Unquoted Equity Investments					
W. B. Estates Acquisition Compensation Bond				0.08	0.08
The Annamallais Ropeways Co Ltd. (Note 2)	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.(Note 2)	Ordinary Shares	350	Rs. 10	-	-
Suryakiran Apartment Services Pvt Ltd	Equity Shares	2146	Rs. 10	0.21	0.21
Jalpaiguri Club Ltd. (Cost Re. 1)	Ordinary Shares	60	Rs. 10	-	-
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 (Note 2)	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
				52.34	52.34
(c) Unquoted Debentures					
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	-	-
Shillong Club Ltd. (Cost Rs. 2)	5% Debentures	31	Rs. 100	-	-
				0.51	0.51
(d) Unquoted Preference Shares					
Thakurbari Club Ltd. (Cost Re. 1)	Preference Shares	26	Rs. 100	-	-
				-	-
Total				216361.10	216654.41
Aggregate Amount of Quoted Investments				43329.75	44541.44
Market Value of Quoted Investments				172054.87	192393.35
Aggregate Amount of Unquoted Investments				173031.35	172112.97

- 769276 shares of Tata Chemicals Limited and 210000 shares of Tata Coffee Limited are pledged against outstanding 3% Non Convertible privately placed "Series 2" Debentures aggregating to Rs. 2500 Lakhs.
- Fully provided (Original Cost Rs. 22.14 Lakhs).

Financial Statements and Notes

Notes forming part of the Financial Statements



continued

	Rs. in Lakhs	
	2012	2011
14. Deferred Tax Assets		
Deferred Tax Liability		
Depreciation	1737.74	1716.19
	1737.74	1716.19
Deferred Tax Asset		
Provision for doubtful debts/advances	263.95	196.10
Employee Benefits	1421.13	1359.73
Employee Separation Schemes	579.24	632.01
Carry forward Agricultural Income-Tax Loss*	41.23	36.38
Provision for Contractual Obligations	543.32	-
Other Assets	659.88	371.72
	3508.75	2595.94
	1771.01	879.75

*To the extent of offsetting Deferred Tax Liabilities

	2012	2011
15. Long Term Loans and Advances		
Unsecured and considered good unless otherwise stated		
Capital Advances	32.96	146.92
Security Deposit*	1213.95	1666.38
Other Advances		
Inter Corporate Loans (Secured)	2400.00	2400.00
Employee Loans and Advances	92.74	90.37
Considered Doubtful		
Security Deposit	28.89	28.89
Less: Provision for Doubtful Deposits	28.89	-
	3739.65	4303.67

* Previous year includes Security Deposits to Related Party Rs. 400 Lakhs

16. Other Non Current Assets		
Receivable from Amalgamated Plantations Private Limited	60.00	60.00
Long Term Bank Deposits *	3000.00	-
	3060.00	60.00

*Earmarked as a Lien on Series 1, 3% Non Convertible Debentures aggregating to Rs. 30000 lakhs

Rs. in Lakhs

Class		Nos.	Face Value of each	2012	2011
17. Current Investments					
I. Current Portion of Long Term Investment					
Trade Investments					
(Fully paid up and valued at cost)					
(a) Quoted Debentures					
Investment In Subsidiaries:					
Tata Coffee Ltd	7% Secured Redeemable Non Convertible Debentures	4418051	Rs. 50	2209.03	2209.03
				2209.03	2209.03
Others:					
Titan Industries Ltd	6.75% Secured Redeemable Non Convertible Debentures	NIL (28677)	Rs. 250	-	71.69
The Indian Hotels Co Ltd	6% Non Convertible Debentures with Detachable Warrants	NIL (140645)	Rs. 100	-	140.65
				-	212.34
(b) Unquoted Debentures					
Others:					
Infiniti Retail Ltd	6% Secured Redeemable Non Convertible Debentures #	3 (10)	Rs. 50000000	1500.00	5000.00
				1500.00	5000.00
# Redeemable with premium of 6.27% on maturity.					
II. Mutual Funds (Unquoted)					
Tata Mutual Fund	Units of Tata Fixed Maturity Plan Fund Tata Fixed Maturity Plan - Series 35 Scheme - B	5000000	Rs. 10	500.00	-
SBI Mutual Fund	Units of SBI Premier Liquid Fund SBI Premier Plan - Super IP - DDR	(1994767)	Rs. 10	-	200.13
Tata Mutual fund	Units of Tata Liquid Plus Fund Tata Liquid Fund SHIP - DDR	(216086)	Rs. 1115	-	2408.32
UTI Mutual Fund	Units of UTI Liquid Cash Fund	(19624)	Rs. 1019	-	200.06
UTI Mutual Fund	Units of UTI Floating Rate Fund UTI Floating Rate Fund - Short Term Plan - Insti-DDR	(220472)	Rs. 1001	-	2206.42
				500.00	5014.93
Total				4209.03	12436.30
Aggregate Amount of Quoted Investments (Current portion of Long term Investment)				2209.03	2421.37
Market Value of Quoted Investments (Current portion of Long term Investment)				1860.00	2375.97
Aggregate Amount of Unquoted Investments				2000.00	10014.93

Financial Statements and Notes

Notes forming part of the Financial Statements



continued

	2012	2011	Rs. in Lakhs
18. Inventories			
Raw Material			
Tea (Includes in transit Rs. 47 Lakhs (Rs. Nil))	28192.63	27146.65	
Packing Materials	2529.32	2341.10	
	30721.95	29487.75	
Finished Goods			
Tea	13747.73	12853.81	
Others	15.27	58.45	
	13763.00	12912.26	
Traded Goods			
Formulations	127.08	-	
Stores and Spare Parts	734.82	591.15	
	45346.85	42991.16	
19. Trade Receivables (Unsecured)			
Outstanding for a period exceeding six months from the date they are due for payment			
Considered Good	14.82	34.25	
Considered Doubtful	519.34	519.34	
Others			
Considered Good	9048.94	10155.41	
	9583.10	10709.00	
Less : Provision for Doubtful Debts	519.34	519.34	
	9063.76	10189.66	
20. Cash and Bank Balances			
Cash and Cash Equivalents			
Cash in hand	2.18	4.27	
Fixed Deposits with Bank (original maturity of less than 3 months)	1000.00	-	
Bank Balances in Current Account	278.61	265.52	
Other Bank Balances			
Unclaimed Dividend Accounts	466.51	417.43	
	1747.30	687.22	
21. Short Term Loans and Advances			
Unsecured and Considered Good unless otherwise stated			
Due from Related Parties	1159.57	1457.25	
Due from Officer	0.60	1.40	
Insurance Claims Receivable	-	100.02	
Advance to Suppliers and Others	1818.36	1868.48	
Inter Corporate Deposits	12500.00	5000.00	
Employee Loans and Advances	57.62	65.92	
Prepaid Expenses	830.25	711.42	
Considered Doubtful			
Other Advances for Supply of Goods and Services	265.31	55.18	
Less: Provision for Advances	265.31	55.18	
	16366.40	9204.49	

Rs. in Lakhs

	2012	2011
22. Other Current Assets		
Interest Accrued	344.82	517.57
Export Incentive Receivable	270.00	-
	614.82	517.57
23. Revenue from Operations		
Sales of Tea	199152.34	177636.04
Others	306.45	1352.09
Sales of Traded Goods	12.54	123.00
Service Income	111.13	181.62
Less: Excise duty	18.97	30.58
	199563.49	179262.17
Other Operating Revenues		
Export Incentive	1554.51	-
Liabilities no longer required written back	884.65	467.96
Management Service Fees	819.70	704.56
Miscellaneous Receipts*	706.62	676.78
	3965.48	1849.30
	203528.97	181111.47
* Miscellaneous Receipts include Subsidy from State Govt Rs. 32.05 Lakhs (Rs. 9.32 Lakhs).		
24. Other Income		
Dividend Income from Non Current Trade Investments	1724.89	2211.45
Dividend from Mutual Funds	593.10	342.36
Dividend from Investment in Subsidiaries	4466.94	6640.18
Profit on sale of Current Investments (net)	-	0.33
	6784.93	9194.32
Rent Income	23.71	29.64
Interest Income on Advances	1180.20	896.40
Interest Income on Deposits	14.54	72.76
Interest Income from Investments	1320.25	1093.92
Others	85.83	9.66
	2600.82	2072.74
	9409.46	11296.70

Financial Statements and Notes

Notes forming part of the Financial Statements



continued

	2012	2011
Rs. in Lakhs		
25. Cost of Materials Consumed		
Tea		
Opening Stock	27146.65	25704.72
Add: Purchases	116216.27	107666.27
Less: Closing Stock	28192.63	27146.65
	115170.29	106224.34
Green Leaf	1703.19	1820.59
Packing Material		
Opening Stock	2341.10	1438.74
Add: Purchases	11671.38	12096.54
Less: Closing Stock	2529.32	2341.10
	11483.16	11194.18
Others	984.22	1071.11
	129340.86	120310.22
26. Changes in Inventory of Finished Goods/Traded Goods		
Stock as at 1st April		
Tea	12853.81	10289.26
Others	58.45	44.80
	12912.26	10334.06
Stock as at 31st March		
Tea	13747.73	12853.81
Others	142.35	58.45
	13890.08	12912.26
	(977.82)	(2578.20)
27. Employee Benefits Expense		
Salaries, Wages and Bonus *	7608.78	7029.67
Contribution to Provident Fund and other Funds	779.19	882.36
Workmen and Staff Welfare Expenses	1216.59	1232.26
Others	464.71	401.06
	10069.27	9545.35

* Includes net credit of earlier years **Rs. 192.94 Lakhs** (Rs. 339.19 Lakhs)

	Rs. in Lakhs	
	2012	2011
28. Finance Costs		
Interest		
On Fixed Loans	1053.90	1371.79
On Debentures	975.00	2268.99
On Other Loans	344.48	256.14
	2373.38	3896.92
Bank Charges	32.52	26.40
Exchange difference to the extent considered as an adjustment to borrowing costs	298.14	134.15
	2704.04	4057.47
29. Other Expenses		
Cultivation, Plucking, Manufacturing and Contract Packing Expenses *	3043.68	3052.47
Consumption of Stores and Spare Parts	675.69	578.84
Power and Fuel (net of recovery)	2531.03	2061.72
Repairs to Plant and Machinery	326.95	295.48
Repairs to Buildings	443.79	497.93
Rent	1910.22	1710.31
Rates and Taxes	530.35	571.69
Advertisement and Sale Charges	13804.04	13593.63
Freight	4188.90	4389.76
Insurance	289.29	253.66
Management Service Fees	2838.16	2140.66
Exchange Loss(Net)	960.30	538.66
Loss on Sale/Discard of Fixed Assets(net)	23.15	161.00
Provision for Doubtful Debts and Advances	210.13	9.29
Debts and Advances written off **	2.18	0.04
Miscellaneous Expenses	9869.19	9077.02
Audit Fees		
Statutory Audit	31.00	31.00
Tax Audit	9.00	9.00
Other Services	52.90	56.67
Reimbursement of Expenses	14.96	12.20
	107.86	108.87
	41754.91	39041.03

* Includes Contract Packing expenses **Rs. 2921.31 Lakhs** (Rs. 2902.17 Lakhs)

** Net of Provision for Debts and Advances written back Rs. Nil (Rs. 1.32 Lakhs)

Financial Statements and Notes

Notes forming part of the Financial Statements



continued

	Rs. in Lakhs	
	2012	2011
30. Exceptional Items		
Income		
Profit on sale of Non Core Investment	13721.45	4440.04
(Expenditure)		
Future Payment under Contractual Obligations	(1801.00)	-
Cost of Long Term Initiatives	(1261.20)	-
Settlement of Claims	(571.00)	-
Loss on Discard of Assets	(472.39)	-
New Product Development Costs	(1303.00)	-
Employee Separation Scheme	-	(2110.56)
	8312.86	2329.48

31. Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2012 aggregated **Rs. 689.63 Lakhs** (Rs. 1146.33 Lakhs) (Net of advances **Rs. 32.96 Lakhs** (Rs. 146.92 Lakhs)).

32. 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.	700.01	434.92
	(523.87)	(316.47)
(ii) Commercial and other Claims	483.25	311.63
	(497.49)	(319.75)

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

(c) Counter Guarantee given on behalf of an Associate Company **Rs. 21.30 Lakhs** (Rs. 34.94 Lakhs).

(d) Guarantee given to the lender of a subsidiary **Rs. 6788.60 Lakhs** (Rs. 5950.54 Lakhs), which is fully covered by a counter guarantee given by another subsidiary.

33. 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 March 31 2012.

34. 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 300 lakhs 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 31.10 lakhs shares in MEMW, if certain conditions or events as stipulated in the said agreement do not occur. After the independent acquisition of 14.2 lakhs shares in March 2012, the put option agreement was amended reducing the put option shares at a renegotiated and reduced put option price for exercise of the shares. The said option was exercised by the erstwhile promoters in May 2012 bringing to an end the put option agreement.

	Rs. in Lakhs	
	2012	2011
35. Expenditure incurred in respect of the Company's Research and Development		
Capital Expenditure	30.72	2.48
Revenue Expenditure	587.83	321.99
	618.55	324.47

36. a) The Company's leasing arrangements are in respect of operating leases for premises (residential, office, godown, etc.) and motor cars and finance lease for certain plant and machinery. These operating leasing arrangements which are cancellable ranges between 5 months to 5 years and are usually renewable on mutually agreeable terms. The aggregate lease rentals payable in respect of premises are charged as Rent and in respect of Motor Cars amounting to **Rs. 282.68 Lakhs** (Rs.240.69 Lakhs) are charged under Miscellaneous Expense under Note 29 of Statement of Profit and Loss.

	Rs. in Lakhs	
	2012	2011
b) Obligation towards finance lease		
Asset acquired under finance lease		
i) Minimum Lease Payments		
Not later than one year	34.34	-
Later than one year but not later than five years	2.86	-
Total	37.20	-
ii) Present value of Minimum Lease payments		
Not later than one year	31.69	-
Later than one year but not later than five years	2.83	-
	34.52	-
Add: Amount representing Interest Expense	2.68	-
Total	37.20	-

Financial Statements and Notes

Notes forming part of the Financial Statements



continued

	Raw Materials		Stores and Spare Parts	
	Value Rs. in Lakhs	% of total consumption	Value Rs. in Lakhs	% of total consumption
37. Value of Raw Materials and Stores and Spare Parts consumed - Gross				
Imported	5325.18 (5177.74)	4.12 (4.30)	64.32 (71.37)	5.40 (7.28)
Indigenous	124015.68 (115132.48)	95.88 (95.70)	1125.92 (908.80)	94.60 (92.72)
	129340.86 (120310.22)	100.00 (100.00)	1190.24 (980.17)	100.00 (100.00)
				Rs. in Lakhs
				2012
				2011
38. Earnings in Foreign Exchange				
Value of Exports at F.O.B.			15731.27	15556.48
Technical Service Fees - Gross			98.30	89.30
Dividends - Gross			3978.44	5345.55
Management Service Fees			819.70	704.56
Others (Freight, Insurance etc.)			778.99	1159.79
			21406.70	22855.68
39. Expenditure in Foreign Currency				
Selling Expenses			36.77	265.89
Foreign Travel			79.84	128.24
Professional Fees			544.17	95.68
Management Service Fees			2573.13	1735.87
Other Expenses			70.29	244.18
40. Value of Imports on C.I.F. basis				
Raw Materials			5091.55	5424.74
Finished Goods			147.06	-
Stores and Spare Parts			52.50	69.61
Capital Goods			4.47	7.23
41. Dividend remitted In Foreign Currency				
No. of shareholders			1	1
Number of shares held in (Lakhs)			0.99	14.65
Dividend remitted			1.98	29.30
Year			2010-11	2009-10

42. a) Related Party Disclosure

Related Parties

Promoter

Tata Sons Ltd.

Subsidiaries

Tata Global Beverages Group Limited
Tata Global Beverages Holdings Limited
Tata Global Beverages Services Limited
Tata Global Beverages GB Limited
Tata Global Beverages Overseas Holdings Limited
Tata Global Beverages Overseas Limited
Lyons Tetley Limited
Tata Global Beverages U.S. Holdings, Inc
Tetley USA Inc
Tata Global Beverages Canada Inc
Tata Global Beverages Australia Pty Limited
Stansand Ltd
Stansand (Brokers) Ltd
Stansand (Africa) Ltd
Stansand (Central Africa) Ltd
Tata Global Beverages Polska Sp.z.o.o
Drassington Limited, UK
Good Earth Corporation
Good Earth Teas Inc.
Teapigs Ltd.
Tata Global Beverages Czech Republic a.s,
Joekels Tea Packers (Proprietary) Ltd. (South Africa)
Tata Global Beverages Investments Limited
 Campestres Holdings Limited
 Kahutara Holdings Limited
 Suntycy Holding Ltd
 Onomento Co Ltd
 OOO Tea Trade LLC
 OOO Sunty LLC

Subsidiaries

Tata Coffee Ltd
 Consolidated Coffee Inc.
 Eight 'O Clock Coffee Company
 Alliance Coffee Ltd.
Tata Tea Extractions Inc
Tata Global Beverages Capital Limited
Mount Everest Mineral Water Limited
Zhejiang Tata Tea Extraction Company Limited
Tata Tea Holdings Private Limited

Associates

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

Joint Ventures

NourishCo Beverages Limited
Tata Starbucks Limited

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
Mr. Ajoy Misra - Executive Director (w.e.f 1.12.2011)

Financial Statements and Notes

Notes forming part of the Financial Statements



continued

42. a) Related Party Disclosure (Contd.)

Particulars of transactions during the year ended 31st March, 2012

Nature of Transactions					Rs. in Lakhs
	Subsidiaries	Associates/ Joint Ventures	Promoter	Key Management Personnel *	Total
Sale of Goods and Services	15588.79 (14775.69)	12.54 (91.40)	- -	- -	15601.33 (14867.09)
Other Income	819.70 (704.56)	0.84 -	- (1.12)	- -	820.54 (705.68)
Rent Paid	- -	44.98 (38.09)	9.15 (21.97)	- -	54.13 (60.06)
Purchase of Goods and Services	5538.37 (4380.50)	17008.85 (19393.99)	- -	- -	22547.22 (23774.49)
Fees for Product Development	496.35 (330.90)	918.80 -	- -	- -	1415.15 (330.90)
Other Expenses (Net)	- -	361.00 (305.36)	560.48 (493.67)	- -	921.48 (799.03)
Purchase of Fixed Assets	- (11.41)	- -	- -	- -	- (11.41)
Reimbursement of Expenditure/(Income)	125.73 (449.42)	(50.02) (131.51)	6.31 (7.56)	- -	82.02 (588.49)
Dividend/Interest received	4737.23 (7064.67)	451.51 (609.54)	140.40 (122.85)	- -	5329.14 (7797.06)
Dividend Paid	19.65 (39.65)	- -	2837.44 (2817.44)	- -	2857.09 (2857.09)
Investments Redeemed	2209.03 (2209.03)	2581.62 (245.48)	- -	- -	4790.65 (2454.51)
Deposits Given	- -	- -	- (25.00)	- -	- (25.00)
Deposit redeemed	- -	- -	400.00 -	- -	400.00 -
Investments Made	2806.91 -	5000.00 (252.50)	- -	- -	7806.91 (252.50)
Directors Remuneration*	- -	- -	- -	100.86 (117.45)	100.86 (117.45)
Outstanding at the year end :					
Debit	3227.80 (5662.60)	630.53 (14.00)	- -	- -	3227.80 (5662.60)
Credit	420.97 (963.88)	409.37 (158.34)	507.29 (44.66)	- -	420.97 (963.88)

* Provision for employee benefits, which are based on actuarial valuation done on an overall Company basis, is excluded

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

			Rs. in Lakhs	
			2012	2011
1	Sale of Goods and Services	Tata Global Beverages Group Limited	3791.59	1879.73
		Tata Global Beverages Australia Pty Limited	4060.06	4749.81
		Tata Global Beverages Polska Sp.z.o.o	2232.10	2151.78
		Tata Tea Extractions US Inc	4929.53	5290.62
2	Other Income	Tata Global Beverages Services Limited	819.70	704.56
3	Purchase of Goods and Services	Amalgamated Plantations Pvt Ltd.	16987.73	19286.20
		Tata Global Beverages Services Limited	2573.12	1940.76
4	Rent Paid	Tata Sons Ltd.	9.15	21.97
		Amalgamated Plantations Pvt Ltd.	44.98	38.09
5	Fees for Product Development	Mount Everest Mineral Water Limited	496.35	330.90
		NourishCo Beverages Limited	918.80	-
6	Other Expenses (Net)	Tata Sons Ltd.	560.48	493.67
		Amalgamated Plantations Pvt Ltd.	361.00	305.36
7	Purchase of Fixed Assets	Tata Coffee Ltd.	-	11.41
8	Reimbursement of Expenditure-Net	Mount Everest Mineral Water Limited	125.73	449.42
		Amalgamated Plantations Pvt Ltd.	176.85	131.51
		NourishCo Beverages Limited	(151.49)	-
		Tata Starbucks Limited	(75.38)	-
9	Dividend and Interest Received	Tata Global Beverages Group Limited	1721.41	1662.15
		Tata Global Beverages Capital Limited	2208.74	2073.46
		Tata Coffee Ltd.	807.09	1766.50
10	Dividend Paid	Tata Sons Ltd.	2837.44	2817.44
11	Deposits Redeemed	Tata Sons Ltd	400.00	-
12	Investments Redeemed	Tata Coffee Ltd.	2209.03	2209.03
		Amalgamated Plantations Pvt Ltd.	2581.62	245.48
13	Investments Made	NourishCo Beverages Limited	1500.00	252.50
		Mount Everest Mineral Water Limited	2806.91	-
		Tata Starbucks Limited	3500.00	-

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

By Geographical Segments	Rs. in Lakhs		
	India	Outside India	Total
Sales Revenue	182954.93 (162456.60)	16608.56 (16805.57)	199563.49 (179262.17)
Segment Assets	74428.75 (69905.96)	0.26 (7.44)	74429.01 (69913.40)
Purchase of Fixed Assets	4356.09 (2096.54)	-	4356.09 (2096.54)

Geographical Segment:

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.

Financial Statements and Notes

Notes forming part of the Financial Statements



continued

44. Interest in Joint Venture

i) The Company's interest, as a venturer, in jointly controlled entities (incorporated Joint Venture) is :

Name	Country of Incorporation	% Ownership interests as at 31st March, 2012	% Ownership interests as at 31st March, 2011
NourishCo Beverages Limited	India	50%	50%
Tata Starbucks Limited	India	50%	-

ii) The Company's interest in these Joint Ventures is reported as Non Current Trade Investments (Note - 13) and stated at cost. However, the Company's share of each of the assets, liabilities, income and expenses, etc. (each without elimination of the effect of transactions between the Company and the Joint Venture) related to its interests in these Joint Ventures are :

	Rs. in Lakhs	
	2012	2011
Statement of Profit and Loss		
Income		
Revenue from Operations	981.22	-
Other Income	72.79	-
Total Revenue	1054.01	-
Expenses		
Cost of Materials Consumed	132.29	-
Purchases of Stock in Trade	1013.50	-
Change in Inventories of Finished Goods	(111.73)	-
Employee Benefits Expense	106.90	-
Finance Costs	-	-
Depreciation and Amortisation expense	0.36	-
Other Expenses	1506.14	-
Total Expenses	2647.46	-
Balance Sheet		
Non-Current Liabilities		
(a) Other Long-Term Liabilities	8.51	-
(b) Long-Term Provisions	0.61	-
Sub-total - Non-Current Liabilities	9.12	-
Current Liabilities		
(a) Trade Payables	170.18	-
(b) Other Current Liabilities	130.52	-
(c) Short-Term Provisions	636.78	-
Sub-total - Current Liabilities	937.48	-
Assets		
Non-Current Assets		
(a) Fixed Assets	2.34	-
(b) Deferred Tax Assets	8.59	-
(c) Long-Term Loans and Advances	12.50	-
(d) Other Non-Current Assets	1.45	-
Sub-total - Non-current assets	24.88	-
Current Assets		
(a) Inventories	127.91	-
(b) Trade Receivables	84.25	-
(c) Cash & Bank balance	4419.08	252.50
(d) Short-Term Loans and Advances	313.08	-
(e) Other Current Assets	50.03	-
Sub-total - Current Assets	4994.35	252.50

iii) Capital Commitment of the Company in relation to the interest in NourishCo Beverages Limited is **Rs. 747.50 Lakhs** (Rs. 2247.50 Lakhs), being its contribution to subscribe to the share capital of the Joint Venture as and when required.

45. 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. 641.49 Lakhs** (Rs. 661.12 Lakhs) has been charged to the Statement of Profit & Loss 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.

Amounts recognised in the Statement of Profit and Loss 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	
	2012	2011	2012	2011	2012	2011
Current Service Cost	-	-	83.70	87.09	99.22	88.62
Interest on obligation	118.41	109.01	146.25	148.99	206.53	174.03
Expected Return on plan assets	(83.86)	(66.87)	(116.52)	(134.48)	-	-
Net Actuarial Loss / (Gain) recognised during the year	(67.40)	(89.76)	(61.13)	165.39	52.30	188.15
Loss / (Gain) on Acquisition & Divestiture	-	-	4.56	-	-	-
Other Credits	-	-	-	5.19	-	-
Effects of the limit in Para 59(b)	12.02	18.29	-	0.11	-	-
Total recognised in Statement of Profit and Loss	(20.83)	(29.33)	56.86	272.29	358.05	450.80

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

	Rs. in Lakhs					
	Pension		Gratuity		Medical	
	2012	2011	2012	2011	2012	2011
Opening defined benefit obligation	1422.89	1494.98	2002.79	1909.66	2491.08	2121.41
Current Service Cost	-	-	83.70	87.09	99.22	88.62
Past service Cost	-	-	-	5.19	-	-
Interest Cost	118.41	109.01	146.25	148.99	206.53	174.03
Actuarial Loss / (Gain)	(123.52)	(95.90)	(24.90)	199.87	52.30	188.15
Liabilities assumed on Acquisition / (settled on Divestiture) etc.	-	-	50.63	29.76	-	-
Benefit Paid	(92.46)	(85.20)	(149.23)	(327.14)	(54.45)	(81.13)
Closing Defined Benefit Obligation	1325.31	1422.89	2109.23	2053.42	2794.68	2491.08

Financial Statements and Notes

Notes forming part of the Financial Statements



continued

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

	Rs. in Lakhs			
	Pension		Gratuity	
	2012	2011	2012	2011
Opening fair value of Plan Assets	1023.49	999.38	1755.27	1851.47
Expected Return on plan assets	83.86	66.87	116.51	134.48
Actuarial Gain / (Loss)	(56.12)	(6.14)	36.23	34.48
Contribution / (Withdrawal) by employer	-	-	247.52	88.57
Assets acquired on Acquisition / (settled on Divestiture)	-	-	46.07	29.76
Benefits Paid	(49.87)	(36.62)	(149.23)	(327.14)
Closing Fair value of Plan Assets	1001.36	1023.49	2052.37	1811.62
Actual Return on Plan Assets	27.74	60.73	152.74	168.95

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

	2012	2011
Govt of India Securities	9.8%	11%
PSU bonds	4%	4%
Insurance managed Funds	85.9%	82%
Others	0.2%	3%
Total	100%	100%

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

	Rs. in Lakhs			
	Increase		Decrease	
	2012	2011	2012	2011
Effect on aggregate of interest cost and current service cost	32.80	19.05	(30.10)	(32.89)
Effect on defined benefit obligation	251.52	224.20	(230.75)	(205.69)

Principal Actuarial assumptions used:

	2012	2011
Discount rates	8.65%	8.10%
Expected rate of return on plan assets	7.50%	7.50%
Expected salary increase rates	4% and 5% based on employee category	4% and 5% based on employee category
Medical inflation rate	8%	8%
Mortality rates	LIC 1994-96 mortality tables	LIC 1994-96 mortality tables

Amounts recognised in the Balance Sheet are as follows:

	Rs. in Lakhs														
	Pension					Gratuity					Medical				
	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008
Present value of funded obligation	841.71	896.27	911.38	1374.61	1475.37	2109.22	2053.42	1909.66	1848.97	1521.69	-	-	-	-	-
Fair Value of Plan Assets	1001.36	1023.49	999.38	1360.36	1645.22	2052.36	1811.61	1851.47	1363.37	1409.94	-	-	-	-	-
	(159.65)	(127.22)	(88.00)	14.25	(169.85)	56.86	241.81	58.19	485.60	111.75	-	-	-	-	-
Present Value of unfunded obligation	483.60	526.62	583.60	336.91	371.58	-	-	-	-	-	2794.69	2491.08	2121.41	1791.52	1556.31
Amount not recognised as an asset (limit in Para 59 (b) of AS-15)	70.85	58.83	40.53	6.29	-	-	-	-	-	0.45	-	-	-	-	-
Net Liability	394.80	458.23	536.13	357.45	201.73	56.86	241.81	58.19	485.60	112.20	2794.69	2491.08	2121.41	1791.52	1556.31
	Rs. in Lakhs														
	2012	2011	2010	2009	2008										
Experience adjustment on Plan Liability	313.69	373.76	571.66	328.57	142.68										
Experience adjustment on Plan Assets	12.79	46.13	121.07	2.73	92.53										

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 obligation.

The contribution expected to be made by the Company for the year ending 31st March 2013 is not readily ascertainable.

"The Guidance on Implementing AS 15, 'Employee Benefits' issued by the Accounting Standard Board (ASB) of the Institute of Chartered Accountants of India states that Provident Funds set-up by employers that guarantee a specific rate of return and which require interest shortfall to be met by the employer would be defined benefit plans in accordance with the requirements of paragraph 26(b) of AS 15. Pursuant to the Guidance, the liability for shortfall of interest earnings, as determined on the basis of an actuarial valuation carried out as at 31st March 2012, is NIL. Further, there is no shortfall in the fair value of the assets over their cost which needs to be recognised as at year end.

As per the actuarial valuation report, the interest shortfall liability being 'Other Long Term Employee Benefits', detailed disclosures are not required."



continued

46. 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 March 31 2012 are:

	No. of Contracts	US\$ in Lakhs	AU\$ in Lakhs	Rupee Equivalent in Lakhs
	44.00	55.00	71.50	6647.75
	(59.00)	(50.00)	(110.00)	(7240.02)

b) The outstanding currency options for sale of foreign currency as at 31st March 2012 are:

	No. of Contracts	US\$ in Lakhs	AU\$ in Lakhs	Rupee Equivalent in Lakhs
	12.00	56.25	-	2317.50
	(12.00)	(155.25)	-	(6419.25)

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

	US\$ equivalent in Lakhs	Rs. Lakhs
Amounts receivable in foreign currency	70.93	3608.36
	(14.93)	(664.72)
Amounts payable in foreign currency	10.62	540.49
	(1.71)	(76.31)

47. Details of Provision for Future Payments under Contractual Obligations

Provision for Contractual Obligations represents future obligation to certain eligible retired/current directors of the Company as per Company Policy. These are expected to materialise in terms of the outflows mandated in the said policy/contracts.

Year	Opening Balance	Provision during the year	Amount paid during the year	Rs. in Lakhs Closing Balance
2011-12	-	1800.50	125.91	1674.59

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

Balance Sheet Abstract



& Company's General Business Profile

I. Registration Details

Registration No.	31425	State Code	21
Balance Sheet Date	31.03.2012		

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	31655744	Total Assets	31655744
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Sources of Funds

Paid Up Capital	618399	Share Warrants	Nil
Reserves & Surplus	21482674	Secured Loans	3668503
Unsecured Loans	-		

Application of Funds

Net Fixed Assets	1427752	Investments	22057013
Net Current Assets	2712074	Miscellaneous Expenditure	Nil
Accumulated Losses	Nil	Deferred Taxation	177101

IV. Performance of Company (Amount in Rs. Thousands)

Turnover (Total Income)	21293843	Total Expenditure	18426019
Profit/(Loss) Before Tax	3699110	Profit/(Loss) After Tax	3026836
Earnings Per Share (in Rs.)	4.89	Dividend Rate	215%

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

R N Tata
Chairman

J S Bilimoria
A R Gandhi
V Leeladhar

PT Siganporia
Managing Director

R K Krishna Kumar
Vice-Chairman

U M Rao
Ranjana Kumar
Directors

V Madan
Vice-President and
Secretary

Mumbai, May 23, 2012

Financial Statements and Notes

Statement of area, crop and yield



	Estate	Address	Hectarage	Crop(Kgs)	Yield/Bearing Hect(kgs)
TEA	KERALA				
	Periakanal	PO Munnar Dist Idukki Kerala 685612	340.13	989840	2910
	Pullivasal	PO Munnar Dist Idukki Kerala 685612	424.76	1071994	2524
		Total	764.89	2061834	2696

Auditors' Report on the Consolidated Financial Statements



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 2 (b) to the attached consolidated financial statements) as at March 31, 2012, the related consolidated Statement of Profit and Loss 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. As mentioned in Note 3 (m) to the financial statements, the overseas subsidiaries of the Group have defined benefit schemes relating to which the actuarial losses or gains are allowed to be recognised in the Reserves as per the local generally accepted accounting practices followed in those respective jurisdictions. For the purpose of consolidated financial statements the holding company has changed the accounting policy in respect of actuarial gains or losses for its overseas defined benefit schemes to reflect the applicable accounting framework of the respective jurisdictions and consequently accounted it in the Reserves instead of in the Statement of Profit and Loss. As in the previous year, had the Company followed the practice of recognition of actuarial losses on the aforesaid defined benefit plans in the Statement of Profit and Loss as per Accounting Standard (AS 15) on Employee Benefits, the charge to employee benefits expenses would have been higher by Rs. 10215 Lakhs, the deferred tax expenses would have been lower by Rs. 1699 Lakhs, the consolidated profit before taxes and minority interest would have been lower by Rs. 10215 Lakhs and the profit after taxes after minority interest would have been lower by Rs. 7072 Lakhs.
4. We did not audit the financial statements of (i) 38 subsidiaries and 7 jointly controlled entities included in the consolidated financial statements, which constitute total assets of Rs. 711752 Lakhs and net assets of Rs. 531777 Lakhs as at March 31, 2012, total revenue of Rs. 480980 Lakhs, net profit of Rs. 17705 Lakhs and net cash flows amounting to Rs. 36860 Lakhs for the year then ended; and (ii) 3 associate companies which constitute net loss of Rs. 1511 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.
5. 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.
6. 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, read with the proviso and the effect of the matter referred to in paragraph 3 above, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
 - (ii) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
 - (iii) 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 No. 037924
 Mumbai, May 23, 2012

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

Dibyendu Majumder
 Partner
 Membership No. 057687
 Mumbai, May 23, 2012

Financial Statements and Notes

Consolidated Balance Sheet



as at 31st March 2012

Rs. in Lakhs

	Note	2012	2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	4	6183.99	6174.17
Reserves and Surplus	5	450390.36	389538.23
		456574.35	395712.40
Minority Interest			
		106592.09	110807.76
Non-Current Liabilities			
Long Term Borrowings	6	73934.16	72284.23
Deferred Tax Liabilities (Net)	7	6571.61	6369.52
Other Long Term Liabilities	8	15577.13	16400.41
Long Term Provisions	9	17398.52	8831.78
		113481.42	103885.94
Current Liabilities			
Short Term Borrowings	10	14891.47	29852.98
Trade Payables		80522.12	83004.68
Other Current Liabilities	11	28398.99	27208.95
Short Term Provisions	12	27421.30	25973.74
		151233.88	166040.35
Total		827881.74	776446.45
ASSETS			
Non-Current Assets			
Fixed Assets	13		
Tangible Assets		55169.83	53182.71
Intangible Assets		369193.84	322705.01
Capital Work in Progress		4867.89	3126.79
Intangible Assets under Development		47.48	1242.02
Non-current Investments	14	47351.78	47995.89
Long Term Loans and Advances	15	8599.58	9109.12
Other Non-Current Assets	16	3332.08	419.84
		488562.48	437781.38
Current Assets			
Current Investments	17	9301.41	10654.76
Inventories	18	116073.14	106965.28
Trade Receivables	19	65181.28	57326.28
Cash and Bank Balances	20	73616.46	99731.08
Short Term Loans and Advances	21	73435.18	62637.45
Other Current Assets	22	1711.79	1350.22
		339319.26	338665.07
Total		827881.74	776446.45

Summary of Significant Accounting Policies 3
The Notes are an integral part of the Consolidated Financial Statements

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

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

R N Tata
Chairman

J S Bilimoria
A R Gandhi
V Leeladhar

PT Siganporia
Managing Director

J M Gandhi
Partner
Membership No. 037924

Dibyendu Majumder
Partner
Membership No. 057687

R K Krishna Kumar
Vice-Chairman

U M Rao
Ranjana Kumar
Directors

V Madan
Vice-President and
Secretary

Mumbai, May 23, 2012

Financial Statements and Notes
Consolidated Statement of Profit and Loss


for the year ended 31st March 2012

Rs. in Lakhs

	Note	2012	2011
INCOME			
Revenue from Operations-Net	23	663116.49	600316.98
Other Income	24	9451.70	9719.26
Total Revenue		672568.19	610036.24
EXPENSES			
Cost of Material Consumed	25	309455.25	271137.18
Purchase of Stock in Trade	26	29433.81	28207.30
Change in Inventories of Finished Goods/ Work-in-progress/Stock in Trade	27	(6581.98)	(6587.39)
Employee Benefits Expense	28	67505.38	61456.94
Finance Costs	29	7035.25	12102.25
Depreciation and Amortisation Expense		9840.34	10196.20
Less : Amount drawn from Revaluation Reserve		(226.79)	(252.29)
Other Expenses	30	200998.61	185291.51
Total Expenses		617459.87	561551.70
Profit before Exceptional Items and Taxes		55108.32	48484.54
Exceptional Items	31	2253.56	951.12
Profit before Tax		57361.88	49435.66
Tax expenses			
Current tax (Net of reversal of earlier years Rs. Nil (Rs. 368.87 Lakhs))		14795.07	21061.07
Deferred tax		(624.10)	(829.80)
		14170.97	20231.27
Profit after Taxation before Share of results of Associates and Minority Interest		43190.91	29204.39
Share of net profit/(loss) in Associates		(1511.48)	2024.64
Minority Interest		(6065.03)	(5796.31)
Profit for the year		35614.40	25432.72
Earning Per Share	37		
Equity share of par value Re. 1 each			
Basic & Diluted		5.76	4.11

The Notes are an integral part of the Consolidated Financial Statements

This is the Consolidated Statement of Profit and Loss 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

J S Bilimoria
A R Gandhi
V Leeladhar
U M Rao
Ranjana Kumar

Directors

PT Siganporia

Managing Director

J M Gandhi

Partner

Membership No. 037924

Dibyendu Majumder

Partner

Membership No. 057687

R K Krishna Kumar

Vice-Chairman

V Madan

 Vice-President and
Secretary

Mumbai, May 23, 2012

Financial Statements and Notes

Consolidated Cash Flow Statement



for the year ended 31st March 2012

Rs. in Lakhs

2012

2011

A. CASH FLOW FROM OPERATING ACTIVITIES

Net Profit before Tax	57361.88	49435.66
<i>Adjusted for :</i>		
Depreciation and amortisation (net of withdrawals from Revaluation Reserve)	9613.55	9943.91
Dividend Income	(2143.03)	(2232.82)
Profit on sale of current investments (net)	(31.20)	(43.70)
Unrealised Foreign Exchange (Gain) / Loss	180.65	78.83
Finance Cost	7035.25	12102.25
Interest Income	(6835.96)	(7342.69)
Provision for Doubtful Debts and Advances	212.30	296.94
Liabilities no longer required written back	(987.58)	(565.28)
Debts and Advances written off	1.40	1.37
Provision for Doubtful Debts and Advances no longer required written back	(329.24)	(36.61)
(Profit) / Loss on sale / discard of Fixed Assets (net)	(350.91)	127.28
Exceptional Expense / (Income) (net)	(2253.56)	(951.12)
Operating Profit before working capital changes	61473.55	11378.36
<i>Adjustments for :</i>		
Trade and Other Receivables	5713.47	(13984.99)
Inventories	(2643.72)	(14767.04)
Trade payables	(12936.52)	2351.86
	(9866.77)	(26400.17)
Cash generated from Operations before Exceptionals	51606.78	34413.85
Outflow on account of Exceptional Expenses	(9396.90)	(5507.86)
Direct Taxes paid	(14564.04)	(23470.21)
	(23960.94)	(28978.07)
Net Cash from Operating Activities	27645.84	5435.78

B. CASH FLOW FROM INVESTING ACTIVITIES

Purchase of Fixed Assets	(11635.86)	(10127.13)
Sale of Fixed Assets	1263.92	1584.54
Purchase of Long Term Investments	(80.00)	(10851.44)
Sale / (Redemption) of Long Term Investments	24576.13	5859.74
Additional Investments in Subsidiaries	(22885.80)	-
Investments in Associates	(5934.85)	(4925.28)
(Purchase) / Sale of Current Investments (net)	(2032.69)	8884.64
Dividend Income	2143.03	2232.82
Interest received	7355.56	7884.68
Fixed Deposit with Bank having maturity over 1 year	(3000.00)	-
Inter Corporate Loans & Deposits (net)	(9481.87)	652.89
Net cash from/(used in) Investing Activities	(19712.43)	1195.46

Rs. in Lakhs

	2012	2011
C. CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of Debentures	(895.15)	(33395.15)
Proceeds from Issuance of Debentures	-	32500.00
Debenture / Share Issue Expenses	-	(13.99)
Repayment of Long Term Borrowings	(3305.89)	(75043.14)
Working Capital Facilities (net)	(15357.58)	1377.33
Dividend paid	(15221.01)	(17085.69)
Dividend Tax paid	(1832.23)	(2305.09)
Interest paid	(7172.23)	(13243.22)
Net Cash used in Financing Activities	(43784.09)	(107208.95)
Net increase / (decrease) in Cash and Cash Equivalents	(35850.68)	(100577.71)
D. CASH AND CASH EQUIVALENTS*		
Opening Balance	99202.18	189907.28
Exchange Gain / (Loss) on translation of foreign currency cash/cash equivalents	9701.41	9872.61
Cash and Cash equivalents at end of the year	73052.91	99202.18
Earmarked Balances with Banks	563.55	528.90
Cash and Bank balances at the end of the year	73616.46	99731.08
* includes other bank balances		

Notes:

- 1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard on 'Cash Flow Statements (AS-3)' issued by Companies (Accounting Standards) Rules, 2006.
- 2 Previous year's figures have been rearranged/regrouped wherever necessary.

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

For N. M. Raiji & Co.

Firm Registration No. 108296W
Chartered Accountants

For Lovelock & Lewes

Firm Registration No. 301056E
Chartered Accountants

R N Tata

Chairman

J S Bilimoria

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Directors

P T Siganporia

Managing Director

V Madan

Vice-President and
Secretary

J M Gandhi

Partner

Membership No. 037924

Dibyendu Majumder

Partner

Membership No. 057687

R K Krishna Kumar

Vice-Chairman

Mumbai, May 23, 2012



1. General Information

Tata Global Beverages Limited ("the Holding Company") and its subsidiaries, joint ventures and associates (together, "the Group") is a global beverages company engaged in the trading, production and distribution of Tea, Coffee, Water and other beverages products. The group has branded beverage business operations mainly in India, Europe, US, Canada and Australia, plantation business in India and extraction business mainly in India and US.

2. (a) Basis of Consolidation

The consolidated financial statements comprises of the financial statements of the Group. 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" notified under Section 211(3C) of the Companies Act, 1956.

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 the consolidation are drawn up to the same reporting date as that of the Holding Company.
- The excess value of the consideration given over the net value of the identifiable assets acquired in the subsidiary companies is recognised as goodwill / capital reserve. Goodwill on consolidation disclosed under fixed assets is not amortised but is, however, tested for impairment.

(ii) Investment in Associates

- Investments in associates have been accounted for using the equity method whereby the investment is initially recorded at cost and adjusted thereafter for post acquisition change in the Holding Company's share of net assets. On acquisition of an associate, the goodwill / capital reserve from such acquisition is included in the carrying value of the investment and also disclosed separately.

(iii) Investment in Joint Ventures

- Joint Venture of Holding Company as well as subsidiaries have been accounted 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:

Name of the Companies	Country of Incorporation	Voting power held	Effective voting power held by the Holding Company	Voting power held	Effective voting power held by the Holding Company
		(%)	(%)	(%)	(%)
		2012		2011	
A.) Subsidiaries					
Tata Global Beverages Group Ltd.					
(52.98% through subsidiaries)	UK	83.04	83.04	78.79	78.79
Subsidiaries of Tata Global Beverages Group Ltd.					
Tata Global Beverages Holdings Ltd.	UK	100.00	83.04	100.00	78.79
Tata Global Beverages Services Ltd.	UK	100.00	83.04	100.00	78.79
Tata Global Beverages GB Ltd.	UK	100.00	83.04	100.00	78.79
Tata Global Beverages Overseas Holdings Ltd.	UK	100.00	83.04	100.00	78.79
Tata Global Beverages Overseas Ltd.	UK	100.00	83.04	100.00	78.79
Lyons Tetley Ltd.	UK	100.00	83.04	100.00	78.79
Tata Global Beverages US Holdings Inc.	USA	100.00	83.04	100.00	78.79
Tetley USA Inc	USA	100.00	83.04	100.00	78.79
Tata Global Beverages Canada Inc.	Canada	100.00	83.04	100.00	78.79
Tata Global Beverages Australia Pty Ltd.	Australia	100.00	83.04	100.00	78.79
Stansand Ltd.	UK	100.00	83.04	100.00	78.79
Stansand (Brokers) Ltd.	UK	100.00	83.04	100.00	78.79
Stansand (Africa) Ltd.	Kenya	100.00	83.04	100.00	78.79
Stansand (Central Africa) Ltd.	Malawi	100.00	83.04	100.00	78.79
Tata Global Beverages Polska sp.oz.o	Poland	100.00	83.04	100.00	78.79
Drassington Ltd.	UK	95.00	78.89	95.00	74.85
Good Earth Corporation	USA	100.00	83.04	100.00	78.79
Good Earth Teas Inc.	USA	100.00	83.04	100.00	78.79
Teapigs Ltd.	UK	100.00	83.04	100.00	78.79
Tata Global Beverages Czech Republic a.s.	Czech Republic	100.00	83.04	100.00	78.79
Tata Global Beverages (GB) Investments Ltd.	UK	100.00	83.04	100.00	78.79
Campestres Holdings Ltd.	Cyprus	100.00	83.04	100.00	78.79
Kahutara Holdings Ltd.	Cyprus	65.00	53.98	65.00	51.21
Suntyno Holding Ltd.	Cyprus	51.00	27.53	51.00	26.11
Onomento Co Ltd.	Cyprus	100.00	27.53	100.00	26.11
OOO Tea Trade LLC	Russia	100.00	27.53	100.00	26.11
OOO Sunty LLC	Russia	100.00	27.53	100.00	26.11
Joekels Tea Packers (Proprietary) Ltd.	South Africa	51.00	42.35	51.00	40.10
Joint ventures of Tata Global Beverages Group Ltd.					
Tetley ACI (Bangladesh) Ltd.	Bangladesh	50.00	41.52	50.00	39.40
Empirical Group LLC	USA	56.00	46.50	56.00	44.12
Southern Tea LLC	USA	50.00	41.52	50.00	39.40
Tetley Clover (Pvt) Ltd.	Pakistan	50.00	41.52	50.00	39.40



Financial Statements and Notes

Notes forming part of the Consolidated Financial Statements

continued

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

Name of the Companies	Country of Incorporation	Voting power held	Effective voting power held by the Holding Company	Voting power held	Effective voting power held by the Holding Company
		(%)	(%)	(%)	(%)
		2012		2011	
Associates of Tata Global Beverages Group Ltd.					
The Rising Beverages Company LLC	USA	44.26	36.75	31.00	24.43
Tata Global Beverages Capital Ltd	UK	100.00	100.00	100.00	100.00
Tata Coffee Ltd.	India	57.48	57.48	57.48	57.48
Subsidiaries of Tata Coffee Ltd.					
Alliance Coffee Ltd.	India	51.00	29.31	51.00	29.31
Consolidated Coffee Inc.	USA	100.00	78.70	100.00	78.70
Subsidiary of Consolidated Coffee Inc.					
Eight O'Clock Coffee Inc.	USA	100.00	78.70	100.00	78.70
Joint venture of Tata Coffee Ltd					
Tata Coffee (Uganda) Ltd.	Uganda	50.00	28.74	50.00	28.74
Tata Tea Extractions Inc.	USA	100.00	100.00	100.00	100.00
Zhejiang Tata Tea Extraction Company Ltd.	China	70.00	70.00	70.00	70.00
Tata Tea Holdings Private Ltd.	India	100.00	100.00	100.00	100.00
Mount Everest Mineral Water Ltd.	India	45.09	45.09	40.92	40.92
B.) Associates					
Amalgamated Plantations Pvt. Ltd.	India	49.07	49.07	49.07	49.07
Estate Management Services Pvt. Ltd.	Sri Lanka	49.00	49.00	49.00	49.00
C.) Joint Ventures					
NourishCo Beverages Ltd.	India	50.00	50.00	50.00	50.00
Tata Starbucks Ltd. *	India	50.00	50.00	-	-

*JV formed on November 25, 2011

- ii) In June, 2012, one of the Holding Company's overseas subsidiary increased its stake in The Rising Beverages Company LLC, a start up beverage company, to 44.26% (43.10% calculated on a fully diluted basis). The Rising Beverages Company LLC is the owner of Activate™ a performance beverage in the USA. The subsidiary has an option to further increase its stake in this Company. During the year convertible loan notes of Rs. 2543.50 Lakhs were issued to Rising Beverages Company LLC which were converted to equity subsequent to the year end. The Company is in the process of raising additional capital to finance its growth.
- iii) During the year, an overseas subsidiary made a financial investment in the shares of Bjets Pte Limited, a Singapore-based company engaged in the business of owning and operating private aircrafts which resulted in holding of over 50%. A portion of the investment was disposed off within the year itself, soon after the acquisition, resulting in reduction of holding to less than 50%. As the investment has been acquired and held exclusively with a view to its subsequent disposal in the near future, the said investment has not been treated as a subsidiary/associate for accounting purpose.
- iv) 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 Company is obliged to purchase a maximum of 31.10 Lakh shares in MEMW, if certain conditions or events as stipulated in the said agreement do not occur. After the independent acquisition of 14.20 Lakh shares in March 2012,

the Put Option agreement was amended reducing the put option shares at a renegotiated and reduced Put Option price for exercise of the shares. The said option was exercised by the erstwhile promoters in May 2012 bringing to an end the Put Option agreement.

- v) 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 6 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 8 years at fair market value. The stipulated time period of 8 years may be bought forward if certain events as per the agreement are triggered.
- vi) The Holding Company has 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 300 Lakh shares in APPL, if certain conditions or events stipulated in the said agreement do not occur.
- vii) 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.

In March 2012, in terms of the provisions of the Shareholders agreement (SHA), Kahutara Holdings Limited issued a notice to exercise the call option to acquire the remaining 49% of the shares in Suntyco Holding, held by Celeste Assets Limited. The transaction to acquire the 49% shares is expected to achieve closure on completion of various statutory and corporate approvals as contemplated by the statute and the SHA. As per the SHA, if the transaction is not completed within 150 days from the date of issue of the notice, then the shareholders enjoy the right to exercise put/call option in March 2013 or in March 2014.

3. Significant Accounting Policies

a) Accounting Convention

The financial statements have been prepared in accordance with the historical cost convention.

The presentation of the financial statements is broadly based on the format used by the Holding Company, which has presented its accounts based on the Revised Schedule VI of the Companies Act, 1956, applicable from the current financial year. Accordingly previous year figures are realigned to make it comparable with current year. All assets and liabilities are classified into current and non current generally based on the criteria of realisation/settlement within twelve months period from the Balance Sheet date.

b) Fixed Assets and Depreciation

i) Tangible

Tangible Assets are carried at cost of acquisition less accumulated depreciation. Impairment loss, if any, ascertained as per the Accounting Standard-28 (Impairment of Assets) 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 tangible 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. 11955.01 Lakhs** (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. 4660.03 Lakhs** (Rs. 4533.80 Lakhs)). In one of the subsidiary, the assets having value lower than Rs. 0.40 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.

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



continued

ii) Intangible

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment loss, if any.

Expenditure on software and related implementation costs capitalised, where it is expected to provide enduring economic benefits and are amortised on a straight line basis over its estimated useful life and generally does not exceed 10 years.

Product development cost incurred on new products is recognised as Intangible Assets and are amortised over a period of 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 10 years.

Other 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.

c) Impairment

At each Balance Sheet date, the management reviews the carrying amounts of each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. Reversal of impairment loss is recognised as income in the statement of profit and loss.

d) Leases

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially assumed all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on a straight line basis.

e) 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 statement of profit and loss. 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 subsidiary.

f) 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.

g) Inventories

Inventories are stated at cost or net realisable value whichever is lower except for an Indian subsidiary, where stores and spare parts and raw materials are valued at cost 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.

h) Foreign Currency Transactions / Translation

Transactions in foreign currency are recorded at average weekly/ fortnightly spot rates or the exchange rate applicable on the transaction date. Exchange differences resulting from settled transactions are adjusted in the statement of profit and loss. In one of the Indian subsidiary current assets and liabilities covered by forward cover are stated at forward cover rates and resulting exchange differences adjusted in the statement of profit and loss. Year end balances of monetary items are restated at the year end exchange rates and the resultant net gain or loss is adjusted in the statement of profit and loss.

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 statement of profit and loss.

The income and expenditure of non-integral overseas subsidiaries/joint ventures 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.

i) Revenue Recognition

I. Sales are recognised when risk, rewards and title have been transferred to the customer, which is typically upon delivery 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.

III. Export incentives are accounted on accrual basis.

j) Other Income

Interest income and income from investments etc. are accounted on accrual basis.

Dividend income is recognised when the right to receive dividend is established.

k) 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.

l) 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.

m) 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. With regard to PF contribution made by the holding company to a Self Administered Trust, holding company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognised such contribution and shortfall, if any, as an expense in the year incurred.

Liabilities for Defined Benefit plans like Gratuity, Superannuation schemes and Post Retirement Medical Benefits are determined through independent year end actuarial valuation and charge is recognised in the statement of profit and loss.

The Group recognises in the statement of profit and loss, gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

ii) Other Employee Benefits: Other employee benefits are accounted for on accrual basis. Liabilities for compensated absences are determined based on independent year end actuarial valuation and charge is recognised in the statement of profit and loss for



Financial Statements and Notes

Notes forming part of the Consolidated Financial Statements

continued

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 Group's Reserve and Surplus (refer note iv below).
- iv) The Group has substantial international operations with approximately 65% of its revenues coming from overseas operations. For the purposes of consolidated financial statements, it has changed its accounting policy for actuarial gains and losses relating to defined benefit pension scheme of overseas subsidiaries by accounting for such gains and losses in the Reserves instead of in the statement of profit and loss, applying the accounting principles of consolidation under Accounting Standard 21 and the policy followed by the overseas subsidiaries and as recognised by the relevant overseas accounting framework. This adoption of the above policy is required to reflect a consistent framework amenable for better inter-firm comparison and to reflect the underlying performance.

Overseas actuarial gains/losses principally relate to a defined benefit retirement scheme of an overseas subsidiary which is closed for future accruals. These gains/ losses represent increase in the value of future long term payment obligations due to changes in interest rates and other actuarial assumptions based on the market position as at the year end. The actuarial assumptions are subject to significant fluctuations especially under volatile market conditions.

As a result of change in the accounting policy, the profit before tax, profit after tax before shares of results of Associate and Minority Interest and profit after tax is higher by Rs. 10215.00 Lakhs, Rs. 8516.00 Lakhs and Rs. 7071.71 Lakhs, respectively.

- v) 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 statement of profit and loss in the year in which it is incurred.

n) Research and Development

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

o) Taxes on Income

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with local laws of various jurisdiction where the Group operates.

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.

p) Financial Instruments

Foreign currency forward contracts, interest rate swap and options relating to commodities and foreign currency are used to hedge associated risk 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 are re-measured at subsequent reporting dates. Gain or loss on account of change in the fair value of hedging instrument in respect of effective portion of the 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 statement of profit and loss. The portion of the gain or loss on the hedging instruments if determined to be an ineffective cash flow hedge is recognised in the statement of profit and loss. Fair value hedges are marked to market on the Balance Sheet date and gain or loss recognised in the statement of profit and loss.

q) Cash and Cash Equivalents

Cash and Cash equivalents for the purpose of cash flow statement comprise of cash at bank and in hand and short term investments with an original maturity of three months or less.

r) Provision

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

	Rs. in Lakhs	
	2012	2011
4. Share Capital		
Authorised		
75,00,00,000 (75,00,00,000) Equity Shares of Re.1 each	7500.00	7500.00
Issued, Subscribed and Paid-Up		
61,83,98,570 (61,83,98,570) Equity Shares of Re. 1 each, fully paid-up	6183.99	6183.99
Less: Held by a Subsidiary Company	-	(9.82)
	6183.99	6174.17
5. Reserves and Surplus		
Capital Reserves	8.67	8.67
Capital Subsidy Reserve	30.10	30.10
Capital Redemption Reserve	10.41	10.41
Securities Premium Account		
Opening Balance	60112.94	66472.48
Less: Deduction during the year*	-	(6359.54)
Closing Balance	60112.94	60112.94
Debenture Redemption Reserve		
Opening Balance	10543.43	11236.23
Add: Amount transferred in from Surplus	-	7432.20
Less: Amount transferred to Surplus	(1060.99)	(8125.00)
Closing Balance	9482.44	10543.43
Revaluation Reserve		
Opening Balance	4468.34	4720.63
Less: Amount transferred to Statement of Profit and Loss	(226.79)	(252.29)
Closing Balance	4241.55	4468.34
Contingency Reserve	100.00	100.00
Amalgamation Reserves	832.53	832.53
Foreign Currency Translation Reserve		
Opening Balance	(34424.63)	(51899.31)
Add: Addition during the year (net)	46511.39	17474.68
Closing Balance	12086.76	(34424.63)
Hedging Reserve		
Opening Balance	(2167.13)	(3028.55)
Add: Addition during the year (net)	1016.74	861.42
Closing Balance	(1150.39)	(2167.13)



Financial Statements and Notes

Notes forming part of the Consolidated Financial Statements

continued

	Rs. in Lakhs	
	2012	2011
5. Reserves and Surplus (Contd.)		
Actuarial Gain/(Loss) Reserve		
Opening Balance	-	-
Add: Addition during the year	(7071.71)	-
Closing Balance	(7071.71)	-
General Reserves		
Opening Balance	87725.03	84357.74
Add: Transferred from Surplus	3392.45	2673.38
Add: Other Adjustment	706.75	693.91
Closing Balance	91824.23	87725.03
Surplus in the Statement of Profit and Loss		
Opening Balance	262298.54	253318.52
Add: Profit for the year	35614.40	25432.72
Add: Transfer from Debenture Redemption Reserve	1060.99	8125.00
Amount available for appropriation	298973.93	286876.24
Less : Appropriation		
Proposed Dividend	(13295.57)	(12367.97)
Provision for Dividend Distribution Tax	(2403.08)	(2104.15)
Transfer to Debenture Redemption Reserve	-	(7432.20)
Transfer to General Reserve	(3392.45)	(2673.38)
Net Surplus in the Statement of Profit and Loss	279882.83	262298.54
Total Reserve and Surplus	450390.36	389538.23

* Utilised for Provision for Premium Payable on redemption of 3% Non Convertible Privately Placed Debenture and issue expenses relating to said Debentures

	2012	2011
Rs. in Lakhs		
6. Long Term Borrowings		
Secured		
Debentures		
3250, 3% Non-convertible, privately placed, Debentures of Rs. 10 Lakhs each. (Refer Note a)	32500.00	32500.00
7% Secured Redeemable Non Convertible Debentures (Refer Note b)	895.14	1790.28
Less : Maturing within the next 12 months	(895.14)	(895.14)
	-	895.14
Loan From Banks		
Term Loan (Refer Note c)	3533.55	2078.30
Less : Maturing within the next 12 months	(773.93)	(254.84)
	2759.62	1823.46
External Commercial Borrowing (Refer Note d)	2416.80	-
Senior Debt (Refer Note e)	37320.10	37927.69
Less : Maturing within the next 12 months	(1065.19)	(862.06)
	36254.91	37065.63
From Others		
Obligation under Finance Lease (Refer Note f)	34.52	-
Less : Maturing within the next 12 months	(31.69)	-
	2.83	-
Total Long Term Borrowings	73934.16	72284.23

- Redeemable at premium of Rs. 195247 per debenture on 4.11.2013, at the end of 3 years from the date of allotment 4.11.2010. Series 1 - 3000 debentures aggregating to Rs. 30000 Lakhs are secured by way of a first mortgage on certain immovable properties of the holding company and first ranking exclusive charge on Long Term Bank Deposit of Rs. 3000 Lakhs. Series 2 - 250 debentures aggregating to Rs. 2500 Lakhs are secured by way of a first mortgage on certain immovable properties of the holding company and pledge of shares of certain companies held as investments. In the previous year, the debentures were secured by way of a first mortgage on certain immovable properties of the holding company and pledge of shares of certain companies held as investment.
- The 7% Non-Convertible Debentures are redeemable at par in three equal installments at the end of 4th, 5th and 6th years from the date of allotment i.e. 29.12.2006. Accordingly, the first and second installments have been redeemed and the last installment is due for redemption next year. Secured by a charge on certain immovable asset of a subsidiary.
- Borrowing amounting to Rs. 1996.57 Lakhs is secured by way of mortgage of certain immovable & moveable properties of an overseas subsidiary. Repayable in quarterly installment, last installment due in September 2016 and Rs. 763.05 Lakhs is secured by way of mortgage of certain immovable property of an overseas subsidiary, payable in 60 equal installments plus interest at 2.75% over LIBOR, last installment due in 2017.
- The borrowing is secured by deposit of title deeds of a immovable property and a charge over the machinery of the expansion project of an Indian subsidiary. The Loan is repayable in sixteen equal quarterly installments commencing from August 11, 2013.
- Debt amounting to **Rs. 31986.04 Lakhs** (Rs. 32393.39 Lakhs) is due at maturity on 30th April, 2013 and is secured over assets of certain overseas subsidiaries. Debt amounting to **Rs. 5334.06 Lakhs** (Rs. 5534.30 Lakhs) is repayable within 7 years from date of its origination and is secured by way of pledge of shares and guarantee given by the holding company.
- Secured against fixed assets obtained under related finance arrangement.



Financial Statements and Notes

Notes forming part of the Consolidated Financial Statements

continued

	Rs. in Lakhs	
	2012	2011
7. Deferred Tax Liabilities (net)		
Deferred Tax Liability		
Depreciation	13772.51	13396.90
Others	363.21	691.52
	14135.72	14088.42
Deferred Tax Asset		
Provision for Doubtful Debts/Advances	357.71	364.97
Employee Benefits	2803.96	2572.87
Others	4361.90	4744.68
Carry Forward Agricultural Income-Tax loss*	40.54	36.38
	7564.11	7718.90
Net Deferred Tax Liabilities	6571.61	6369.52
*To the extent of offsetting deferred tax liabilities		
8. Other Long Term Liabilities		
Premium payable on Redemption of Debentures	6345.53	6345.53
Deposits	632.29	1241.16
Others	8599.31	8813.72
	15577.13	16400.41
9. Long Term Provision		
Employee Benefits	15593.97	8831.78
Future payment under Contractual Obligation	1804.55	-
	17398.52	8831.78
10. Short Term Borrowings		
From Banks		
Secured		
Working Capital Facilities (Refer below)	14891.47	29352.98
Unsecured		
Other Loans	-	500.00
	14891.47	29852.98

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.

Rs. in Lakhs

	2012	2011
11. Other Current Liabilities		
Current Maturities of Long Term Borrowings (Refer Note 6)	2734.25	2012.05
Security Deposits from Customers	2675.17	2563.19
Unpaid Dividends	563.55	528.90
Interest Accrued but not due	528.23	558.24
Finance Lease Obligations	31.69	-
Other Payables	21866.10	21546.57
	28398.99	27208.95
12. Short Term Provision		
Employee Benefits	4852.74	4254.00
Taxation less advance payment	5497.07	6112.53
Proposed Dividend	13295.57	12367.97
Tax on Dividend	2490.16	1919.31
Future payment under Contractual Obligation	129.93	-
Other Provisions	1155.83	1319.93
	27421.30	25973.74



Financial Statements and Notes

Notes forming part of the Consolidated Financial Statements

continued

	Rs. in Lakhs											
	Cost				As at 31.03.2012	Depreciation/Amortisation				Net Book Value		
	As at 01.04.2011	Additions	Deductions/ Adjustment	Translation Exchange difference		As at 01.04.2011	Depreciation/ Amortisation for the year	Deductions/ Adjustment	Translation Exchange difference	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
13. Fixed Assets												
Tangible												
Land (including Development)	6212.35	-	(12.36)	214.85	6414.84 *	64.75	19.93	-	13.98	98.66	6316.18	6147.60
Tea/Coffee Estate Land/ Fuel Area (including Development)	755.60	-	-	-	755.60	-	-	-	-	-	755.60	755.60
Buildings	16538.42	1405.12	(149.50)	994.48	18788.52	5223.30	590.16	(95.51)	276.12	5994.07	12794.45	11315.12
Bridges	16.43	-	-	-	16.43	2.44	-	-	-	2.44	13.99	13.99
Plant and Machinery	90297.47	5107.49	(2337.46)	7009.32	100076.82	61496.69	5836.80	(1784.56)	5763.09	71312.02	28764.80	28800.78
Furniture and Fixtures	13657.16	1730.25	(1151.28)	1408.64	15644.77	8909.72	1420.60	(879.06)	985.88	10437.14	5207.63	4747.44
Office Equipment	351.39	10.29	(17.87)	13.87	357.68	151.14	28.48	(31.46)	8.42	156.58	201.10	200.25
Motor Vehicles	2408.14	339.84	(411.13)	72.00	2408.85	1206.21	301.82	(259.68)	44.42	1292.77	1116.08	1201.93
Total Tangibles	130236.96	8592.99	(4079.60)	9713.16	144463.51	77054.25	8197.79	(3050.27)	7091.91	89293.68	55169.83	53182.71
Previous Year	122296.85	11124.28	(6249.56)	3065.39	130236.96	69925.67	8661.16	(3750.18)	2217.60	77054.25	53182.71	
Intangible												
Goodwill on Consolidation	306227.08	4229.61	-	39804.26	350260.95	2421.63	591.065	- ^	375.64	3388.33	346872.62	303805.45
Intangibles ^	21694.69	2048.77	-	2486.66	26230.12#	3329.40	803.13	-	523.62	4656.15@	21573.97	18365.29
Capitalised Software	1601.61	447.53	-	90.99	2140.13	1252.34	218.36	3.43	73.75	1547.88	592.25	349.27
Non Compete Fee	300.00	-	-	-	300.00	115.00	30.00	-	-	145.00	155.00	185.00
Total Intangibles	329823.38	6725.91	-	42381.91	378931.20	7118.37	1642.55	3.43	973.01	9737.36	369193.84	322705.01
Previous Year	318350.27	1688.23	(32.05)	9816.93	329823.38	5274.04	1535.04	368.92	(59.63)	7118.37	322705.01	
Total	460060.34	15318.90	(4079.60)	52095.07	523394.71	84172.62	9840.34	(3046.84)	8064.92	99031.04	424363.67	375887.72
Previous Year	440647.12	12812.51	(6281.61)	12882.32	460060.34	75199.71	10196.20	3381.26	2157.97	84172.62	375887.72	

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.
- Goodwill addition is on account of increase of shareholding by the Group in Tata Global Beverages Group Ltd and Mount Everest Mineral Water Ltd.
- (\$) Represents impairment of goodwill on account of amortisation of certain intangible assets included as goodwill under India GAAP by an overseas subsidiary.
- (@) Unexpired period of amortisation for certain intangibles is 232 months and 120 months.
- (^) Includes Trademark, Brands and Patents/Knowhow.
- (#) Includes Brands having indefinite useful life (Refer note 3 (b) (ii)) **Rs. 3912 Lakhs** (Rs. 3441 Lakhs).
- Plant and Machinery includes assets taken on finance lease - Gross Block: Rs. 60.81 Lakhs; WDV - Rs. 56.33 Lakhs.
- Exchange differences arising due to restatement of fixed assets in overseas subsidiaries, as at year end, have been transferred to Foreign Currency Translation Reserve.

Rs. in Lakhs

	Face Value of each	Nos.	2012	2011
14. Non - Current Investments				
Trade Investment (fully paid and valued at cost)				
(a) Quoted Equity Investments				
Tata Chemicals Ltd. (Refer Note (a))	Rs. 10	11345522 (15545522)	5457.01	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	160000 (140000)	236.19	156.19
Tata Steel Ltd.	Rs.10	12021	17.02	17.02
Titan Industries Ltd.	Re. 1 (Rs. 10)	9248060 (462403)	295.24	295.24
Tata Consultancy Services Ltd.	Re. 1	391200	1.21	1.21
Tata Motors Ltd - 'A' Ordinary Shares	Rs. 10	3333	10.17	10.17
Joonkolllee Tea & Industries Ltd.	Rs. 10	11524	6.42	6.42
			6342.09	8151.67
(b) Unquoted Equity Investments				
Investment in Associates				
Amalgamated Plantations Pvt Ltd.	Rs. 10	24410000	2441.00	2441.00
Estate Management Services (Pvt) Ltd.	LKR 10	15346800	1106.21	1106.21
The Rising Beverages Company LLC. - Class A shares		374977 (220801)	8897.03	4752.28
			12444.24	8299.49
Others				
Tata Sons Ltd.	Rs. 1000	1755	975.00	975.00
Tata Capital Ltd.	Rs. 10	553889	83.08	83.08
Tata Services Ltd.	Rs. 1000	475	4.77	4.77
Tata Industries Ltd.	Rs. 100	6519441	11582.32	11582.32
Taj Air Ltd.	Rs. 10	22200000	2561.02	2303.22
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
The Cochin Malabar Estates & Industries Ltd.	Rs. 10	2156	0.20	0.20
			15457.73	15199.93
(c) Unquoted Preference Shares				
Investment in Associates				
Amalgamated Plantations Pvt Ltd.	Rs. 10	67000000	6700.00	6700.00
0.01% Non Cum Redeemable Preference Shares (Redeemable with special redemption premium)				
			6700.00	6700.00



Financial Statements and Notes

Notes forming part of the Consolidated Financial Statements

continued

	Face Value of each	Nos.	2012	2011
Rs. in Lakhs				
14. Non - Current Investments (Contd.)				
(d) Unquoted Debentures/Bonds				
Investment in Associates				
The Rising Beverages Company LLC. - Convertible Loan Notes #			2543.50	-
Amalgamated Plantations Pvt Ltd.	Rs. 10	-	-	2581.62
(10% Redeemable Non Convertible Debentures)		(25816200)		
			2543.50	2581.62
# convertible at the option of the shareholders				
Others				
Infiniti Retail Ltd. - 6% Secured Redeemable Non Convertible Debentures	Rs. 500000	Nil	-	1500.00
(Redeemable with premium of 6.27% on maturity)		(3)		
			-	1500.00
Others Investment (fully paid and valued at cost)				
(a) Quoted Equity Investments				
SBI Home Finance Ltd. (Refer Note (c))	Rs. 10	100000	-	-
Industrial Development Bank of India	Rs. 10	16160	13.13	13.13
			13.13	13.13
(b) Unquoted Equity Investments				
The Annamallais Ropeways Company Ltd. - Ordinary Shares	Rs. 100	2092	-	-
(Refer Note (c))				
ABC Tea Workers Welfare Services - Ordinary Shares	Rs.10	20000	2.00	2.00
Assam Hospitals Ltd	Rs. 10	200000	20.00	20.00
The Valparai Co-operative Wholesale Stores Ltd - Ordinary Shares	Rs. 10	350	-	-
(Refer Note (c))				
Suryakiran Apartment Services Private Ltd	Rs. 10	2146	0.21	0.21
Jalpaiguri Club Ltd- Ordinary Shares (Cost Re 1)	Rs. 10	60	-	-
GNRC Ltd	Rs. 10	50000	5.00	5.00
IFCI Venture Capital Funds Ltd	Rs. 10	250000	25.00	25.00
Ritspin Synthetics Ltd (Refer Note (c))	Rs. 10	200000	-	-
Coorg Orange Growers Co-operative Society Ltd	Rs. 100	4	-	-
Tata Coffee Co-operative Stores Limited	Rs. 5	20	-	-
Coorg Cardamom Co-operative Marketing Society Ltd.	Rs. 100	3	-	-
Southern Scribe Instruments Pvt Ltd	Rs. 100	7280	7.28	-
TEASERVE	Rs. 5000	1	0.05	0.05
(The Tamil Nadu Tea Manufacturers' Service Industrial Co-op Society Ltd)				
			59.54	52.26
(c) Unquoted Preference Shares				
Thakurbari Club Ltd (Cost Re 1)	Rs. 100	26	-	-
			-	-
(d) Unquoted Government Securities:				
W. B. Estates Acquisition Compensation Bond			0.08	0.08
			0.08	0.08

Rs. in Lakhs

	Face Value of each	Nos.	2012	2011
14. Non - Current Investments (Contd.)				
(e) Unquoted Debentures				
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	-	-
Shillong Club Ltd - 5% Debentures - (Cost Rs. 2)	Rs. 100	31	-	-
			0.51	0.51
Total			43560.82	42498.69
Net appreciation in investments in associates under equity method (Refer Note (d))			3790.96	5497.20
			47351.78	47995.89
Total of Investments				
Quoted			6355.22	8164.80
Unquoted			40996.56	39831.09
Aggregate Amount			47351.78	47995.89
Market value of quoted investments			67104.43	77414.57

Notes :

- 769276 shares of Tata Chemicals Ltd are pledged against outstanding 3% Non Convertible privately placed Debentures.
- Cost of investments in The Rising Beverages Company LLC includes Goodwill amounting to Rs. 5949 Lakhs and cost of investment in Amalgamated Plantations Pvt. Ltd. includes capital reserve of Rs. 1559.78 Lakhs.
- Fully provided (Original Cost Rs. 22.14 Lakhs)
- Includes the following adjustments on account of Associate Companies:

	Rs. in Lakhs
Pre-acquisition share of profit / (loss)	(152.25)
Post acquisition profit	6686.51
Current year profit / (loss)	(1511.48)
Dividend received	(1231.82)
	3790.96
	5497.20



Financial Statements and Notes

Notes forming part of the Consolidated Financial Statements

continued

	Rs. in Lakhs	
	2012	2011
15. Long Term Loans and Advances		
(unsecured and considered good unless otherwise stated)		
Inter Corporate Loans - Secured	2400.00	2400.00
Capital Advances	2118.11	1306.15
Security Deposit		
Considered Good	3055.65	3453.75
Considered Doubtful	32.73	38.23
	3088.38	3491.98
Less: Provision for Doubtful Deposits	(32.73)	(38.23)
	3055.65	3453.75
Other Advances		
Considered Good	687.91	1259.12
Considered Doubtful	12.31	2.21
	700.22	1261.33
Less: Provision for Doubtful Advances	(12.31)	(2.21)
	687.91	1259.12
MAT credit entitlement	337.91	690.10
	8599.58	9109.12
16. Other Non Current Assets		
Receivable from Amalgamated Plantations Private Ltd.	60.00	60.00
Long term Bank Deposits*	3000.00	-
Others Non-Current Assets	272.08	359.84
	3332.08	419.84

* Earmarked as a Lien on Series 1, 3% Non Convertible Debentures aggregating to Rs. 30000 Lakhs

	Rs. in Lakhs			
	Face Value of each	Nos.	2012	2011
17. Current Investments				
(a) Unquoted Equity Shares				
BJETS Pte Ltd.	US\$ 1	21584823	7230.66	-
			7230.66	-
(b) Quoted Debentures				
The Indian Hotels Co. Ltd.				
- 6% Non Convertible Debentures with Detachable Warrants	Rs.100	-	-	140.65
		(140645)		
Titan Industries Ltd.	Rs. 250	-	-	71.69
- 6.75% Secured Redeemable Non Convertible Debentures		(28677)		
			-	212.34
(c) Unquoted Debentures				
Infiniti Retail Ltd - 6% Secured Redeemable Non Convertible Debentures	Rs. 500000	3	1500.00	5000.00
(Redeemable with premium of 6.27% on maturity)		(10)		
			1500.00	5000.00

Rs. in Lakhs

	Face Value of each	Nos.	2012	2011
17. Current Investments (Contd.)				
(d) Unquoted Mutual Fund				
Tata Mutual Fund	Rs. 10	5000000	500.00	-
Units of Tata Fixed Maturity Plus Fund				
Tata Fixed Maturity Plan - Series 35 Scheme - B				
HSBC Ultra Short Term Fund	Rs. 10	631909	70.75	69.28
Weekly Dividend				
SBI Mutual Fund	Rs. 10	-	-	200.13
Units of SBI Premier Fund		(1994767)		
SBI Premier Plan - Super IP - DDR				
Tata Mutual Fund	Rs. 1115	-	-	2408.32
Units of Tata Liquid Plus Fund		(216086)		
Tata Liquid Fund SHIP - DDR				
UTI Mutual Fund	Rs. 1019	-	-	200.06
Units of UTI Floating Rate Fund		(19624)		
UTI Mutual Fund	Rs. 1001	-	-	2206.42
UTI Liquid Fund Cash Plan-Institutional-DDR		(220472)		
TFLG - Tata Floater Fund Growth	Rs. 10	-	-	358.21
		(2487487)		
			570.75	5442.42
Total Current Investment			9301.41	10654.76
Total of Investments				
Quoted			-	212.34
Unquoted			9301.41	10442.42
Aggregate Amount			9301.41	10654.76
Market value of quoted investments			-	221.98
Net asset value of investment in Mutual Fund			570.75	5442.42
			2012	2011
18. Inventories				
Stores, Spare Parts and Packing Materials			7523.16	6482.94
Raw Material				
Tea (includes in transit of Rs. 5218.80 Lakhs (Rs. 5698.40 Lakhs))	54636.06		50058.86	
Coffee (includes in transit of Rs. 630.47 Lakhs (Rs. 363.05 Lakhs))	6500.72		9571.55	
Others (includes in transit of Rs. 16.46 Lakhs (Rs. Nil))	46.98		67.26	
			61183.76	59697.67
Finished Goods				
Tea	27011.97		24579.03	
Coffee (includes in transit of Rs. 1314.22 Lakhs (Rs. 1156.82 Lakhs))	18553.81		15152.84	
Others (includes in transit of Rs. 20.93 Lakhs (Rs. Nil))	834.13		437.60	
			46399.91	40169.47

Financial Statements and Notes

Notes forming part of the Consolidated Financial Statements



continued

	2012	2011	Rs. in Lakhs
18. Inventories (Contd.)			
Stock in Trade			
Others	444.80	204.58	
	444.80	204.58	
Work in Progress			
Tea	409.69	111.09	
Others	111.82	299.53	
	521.51	410.62	
	116073.14	106965.28	
19. Trade Receivables			
Receivables outstanding for a period exceeding six months from due date			
Considered Good	101.57	148.04	
Doubtful	1151.04	1136.48	
	1252.61	1284.52	
Less : Provision for Doubtful Debts	(1151.04)	(1136.48)	
	101.57	148.04	
Other Receivables			
Considered Good*	65079.71	57178.24	
Doubtful	87.60	403.19	
	65167.31	57581.43	
Less : Provision for Doubtful Debts	(87.60)	(403.19)	
	65079.71	57178.24	
	65181.28	57326.28	
*Other Receivable includes secured receivable of Rs. 2610.31 Lakhs (Rs. 1017.40 Lakhs)			
20. Cash and Bank Balances			
Cash and Cash Equivalents			
Cash in hand	12.56	53.43	
Balances with Bank			
Current Account	5934.15	7638.50	
Deposit Account	21853.94	19798.20	
Unclaimed Dividend Account	563.55	528.90	
	28364.20	28019.03	
Other Bank Balances			
Deposit Account	45252.26	71712.05	
	73616.46	99731.08	

	Rs. in Lakhs	
	2012	2011
21. Short Term Loans and Advances		
(unsecured and considered good unless otherwise stated)		
Inter Corporate Loans	60147.81	45760.42
(including secured loan amounting to Rs. 33240.59 Lakhs (Rs. 27534.26 Lakhs))		
Deposits		
Considered Good	260.07	335.32
Considered Doubtful	38.00	38.00
	298.07	373.32
Less : Provision for Doubtful Deposits	(38.00)	(38.00)
	260.07	335.32
Other Advances		
Considered Good	12197.05	12904.03
Considered Doubtful	344.02	139.46
	12541.07	13043.49
Less : Provision for Doubtful Deposits	(344.02)	(139.46)
	12197.05	12904.03
Prepaid Expenses	830.25	711.42
Balance in Escrow Account	-	2926.26
	73435.18	62637.45
22. Other Current Assets		
Interest Accrued	548.98	1099.92
Export Incentive receivable	1162.81	250.30
	1711.79	1350.22
23. Revenue from Operations		
Sale of Products		
Tea	477760.25	447665.74
Coffee	170602.83	142325.88
Others	6915.73	5610.94
	655278.81	595602.56
Sale of Trading Goods	2969.82	2436.26
Sale of Services	447.12	355.15
Other Operating Revenues		
Miscellaneous Receipts*	910.38	1053.44
Liabilities no longer required written back	987.58	565.28
Provision for debts and advances write back	115.54	-
Export Incentive	2577.19	456.02
	4590.69	2074.74
	663286.44	600468.71
Less: Excise Duty	(169.95)	(151.73)
	663116.49	600316.98

* Miscellaneous Receipts includes Statutory Board Subsidies **Rs. 32.05 Lakhs** (Rs. 9.32 Lakhs).



Financial Statements and Notes

Notes forming part of the Consolidated Financial Statements

continued

	Rs. in Lakhs	
	2012	2011
24. Other Income		
Interest Income		
Long-term Investments	1378.34	670.79
Others	5457.62	6671.90
	6835.96	7342.69
Dividend income		
Long-term Investments	1549.95	1890.45
Current Investments	593.08	342.37
	2143.03	2232.82
Profit on sale of Current Investments (net)	31.20	43.70
Profit on sale of Fixed Assets (net)	350.91	-
Rent Income	77.53	94.58
Other non operating income	13.07	5.47
	9451.70	9719.26
25. Cost of material Consumed		
Raw Material Consumed		
Tea	201649.80	182918.81
Coffee	62408.21	46717.46
Others	1293.67	864.16
	265351.68	230500.43
Consumption of Packing Materials	44103.57	40636.75
	309455.25	271137.18
26. Purchase of Stock in Trade		
Tea	19487.12	19707.48
Coffee	5415.00	4484.27
Others	4531.69	4015.55
	29433.81	28207.30
27. Changes in Inventories of Finished Goods/Work in progress/Stock in Trade		
Stock as at 1st April		
Tea	24579.03	22025.12
Coffee	15152.84	11045.59
Others	1052.37	1126.14
	40784.24	34196.85
Stock as at 31st March		
Tea	27421.66	24579.03
Coffee	18553.81	15152.84
Others	1390.75	1052.37
	47366.22	40784.24
	(6581.98)	(6587.39)

	Rs. in Lakhs	
	2012	2011
28 Employee Benefits Expense		
Salaries, Wages and Bonus *	60258.09	54846.51
Contribution to Provident Fund and other Funds	5083.41	4361.18
Workmen and Staff Welfare Expenses	2163.88	2249.25
	67505.38	61456.94
* Includes net credit of earlier years Rs. 192.94 Lakhs (Rs. 339.19 Lakhs).		
29. Finance Costs		
Interest Expense	6403.35	10151.80
Other Borrowing Cost	289.93	1851.74
Exchange loss (net)	341.97	98.71
	7035.25	12102.25
30. Other Expenses		
Manufacturing and Cultivation Expenses	9084.21	7622.51
Consumption of Stores and Spare Parts	2754.85	2330.17
Power and Fuel	7957.13	7081.06
Repairs to Plant and Machinery	2174.67	2075.53
Repairs to Buildings	1269.98	1232.36
General Repairs	1613.43	1238.82
Rent	5036.87	4664.38
Rates and Taxes	1416.22	1336.36
Advertisement and Sale Charges	109966.76	101269.13
Commission on Sales	12103.75	10591.84
Freight	17246.73	16626.10
Insurance	2186.14	2089.03
Miscellaneous Expenses*	28187.87	26745.22
Provision for Doubtful Debts and Advances	-	261.72
Loss on sale of Fixed Assets	-	127.28
	200998.61	185291.51

*Includes Exchange Loss **Rs. 2228.90 Lakhs** (Rs. 1034.30 Lakhs)



Financial Statements and Notes

Notes forming part of the Consolidated Financial Statements

continued

	Rs. in Lakhs	
	2012	2011
31. Exceptional Items		
Income		
Profit on sale of Non Core Investments	13721.45	4440.04
Actuarial Gain on defined benefit schemes for overseas subsidiary	-	3744.22
Exchange Gain	201.45	-
	13922.90	8184.26
Expenditure		
Long Term Initiatives	(2443.00)	-
Re-organisation / Business Restructure costs	(1555.75)	(3064.76)
Redundancy Cost	(2375.00)	(1630.00)
Other Contractual Obligation	(2074.59)	-
Settlement of Claims	(571.00)	-
Loss on Assets written off	(1764.00)	-
New Product Development cost	(886.00)	-
Exchange Loss	-	(427.82)
Employee Separation Schemes	-	(2110.56)
	(11669.34)	(7233.14)
	2253.56	951.12

32. Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2012 aggregated **Rs. 3676.45 Lakhs** (Rs. 1881.33 Lakhs).

33. Contingent Liabilities not provided for in respect of :

- a. Bills discounted and remaining unpaid as at March 31, 2012 aggregated – **Rs. 896.57 Lakhs** (Rs.137.36 Lakhs).
- b. Claims under adjudication not acknowledged as debts:

	Rs. in Lakhs	
	2012	2011
i. Taxes, Statutory Duties/ Levies etc.	2205.43	1523.52
ii. Commercial and other Claims	2165.70	953.13
iii. Income-Tax / Agricultural Income-Tax	Nil	Nil

- c) Labour disputes under adjudication relating to some staff – amount not ascertainable for holding company and **Rs. 239.42 Lakhs** (Rs. 302.61 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. 6788.60 Lakhs** (Rs. 5950.54 Lakhs).
- f) Bank and other guarantees – include counter guarantee given by the Holding Company on behalf of an Indian Associate Company **Rs. 21.30 Lakhs** (Rs. 34.94 Lakhs).

Rs. in Lakhs

	2012	2011
34. Research & Development Expenditure:		
Capital	31.26	8.51
Revenue	1074.98	807.19
Total	1106.24	815.70

Rs. in Lakhs

Particulars	Opening	Provision made	Amount paid	Closing
	Balance	during the year	during the year	Balance
Future payment under contractual Obligation	-	2074.59	140.11	1934.48
Reorganisation Cost	1319.93	3724.49	3888.59	1155.83
	(272.20)	(3597.03)	(2549.30)	(1319.93)

36. Leases

Finance Lease

The Company's leasing arrangements are in respect of finance lease for plant & machinery. The finance lease arrangements are non cancellable in nature for a period of 24 months.

Disclosure in respect of finance leases:

Rs. in Lakhs

	2012			2011		
	Within 1 Year	1 to 5 Years	Total	Within 1 Year	1 to 5 Years	Total
Minimum lease payments under finance lease	34.34	2.86	37.20	-	-	-
Less : Amount representing finance charge	2.65	0.03	2.68	-	-	-
Present value of minimum lease payment	31.69	2.83	34.52	-	-	-

Operating Lease

An overseas subsidiary has taken on lease office/factory buildings and the leases expire between 2012 and 2023. The Holding Company's leasing arrangement are in respect of operating leases for premises (residential, office, godown) and motorcars. These leasing arrangements which are cancellable ranges between 5 months to 5 years and are usually renewable on mutually agreed terms.

Disclosure in respect of operating leases:

Rs. in Lakhs

	2012	2011
Total minimum lease payments under Non-cancellable operating lease	22360.73	15890.92
Within One Year	3150.77	2697.13
Later than one year and not later than five years	11590.64	8502.42
Later than five years	7619.31	4691.37
Lease payments recognised in the statement of profit and loss	5167.61	4903.82

37. Basic and Diluted Earnings per Share (EPS) has been computed with reference to net profits attributable to equity shareholders of **Rs. 35614.40 Lakhs** (Rs. 25432.72 Lakhs) and the weighted average equity shares outstanding (Nominal value – Re. 1 per share) at the end of the year of 6183.99 Lakh shares (6183.99 Lakh shares).



Financial Statements and Notes

Notes forming part of the Consolidated Financial Statements

continued

38. The proportionate share of the assets, liabilities, income and expenditure of the joint venture of Holding Company and its subsidiary companies (refer note 2(b) above) included in these consolidated financial statements are given below:

	Rs. in Lakhs	
	2012	2011
Balance Sheet as at March 31, 2012		
SOURCES OF FUNDS		
Share Capital	8838.62	3109.79
Reserves and Surplus	(895.65)	197.55
Shareholders Funds	7942.97	3307.34
Non-Current Liabilities:		
Long Term Borrowings	1738.10	1719.08
Deferred Tax (net)	(77.65)	(46.34)
Other Long Term Liabilities	8.00	-
Long Term Provisions	0.61	-
Total Non-Current Liabilities	1669.06	1672.74
Current Liabilities:		
Short Term Borrowings	-	378.41
Trade Payables	2354.73	2078.60
Other Current Liabilities	148.08	20.81
Short Term Provisions	717.23	-
Total Current Liabilities	3220.04	2477.82
Total Sources of Funds	12832.07	7457.90
APPLICATION OF FUNDS		
Non-Current Assets		
Fixed Assets		
Tangible Assets	650.34	686.90
Capital work in progress	31.53	26.75
Long Term Loans and Advances	12.51	-
Other Non-Current Assets	1.45	-
Total Non-Current Assets	695.83	713.65
Current Assets		
Inventories	5319.35	4857.48
Trade Receivables	1957.35	1520.43
Cash and Bank Balance	4131.46	-
Short Term Loans and Advances	669.56	366.34
Other Current Assets	58.52	-
Total Current Assets	12136.24	6744.25
Total Application of Funds	12832.07	7457.90

Statement of Profit and Loss for the year ended March 31, 2012
Rs. in Lakhs

	2012	2011
INCOME		
Revenue from Operations	33891.23	30687.82
Other Income	72.19	-
Total Revenue	33963.42	30687.82
EXPENSES		
Cost of Material Consumed	14932.32	13148.74
Purchase of Trading Goods	9321.20	8443.62
Change in Inventories of Finished Goods/Work-in-progress/stock-in-trade	(111.74)	-
Employee Benefits Expense	2018.90	1737.03
Finance Costs	168.24	156.27
Depreciation and Amortisation Expense	157.63	122.52
Other Expenses	7285.98	4955.69
Total Expenses	33772.53	28563.87
Profit before exceptionals	190.89	2123.95
Exceptional items	416.51	-
Profit before tax	607.40	2123.95
Provision for Taxation	19.20	(22.00)
Profit after Taxation	588.20	2145.95

Capital Commitment of the Holding Company in relation to the interest in NourishCo Beverages Ltd is **Rs. 747.50 Lakhs** (Rs. 2247.50 Lakhs), being its contribution to subscribe to the share capital of the Joint Venture as and when required.

39. a. Consolidated Related Party Disclosure
Particulars of transactions during the year ended March 31, 2012
Rs. in Lakhs

Nature of Transactions	Associates/	Promoter	Key Management	Total
	Joint Ventures		Personnel/Relatives	
Sale of Goods & Services	973.27	-	-	973.27
	(1909.70)	-	-	(1909.70)
Other Income	-	-	-	-
	-	(1.12)	-	(1.12)
Purchase of Goods & Services	23195.31	-	-	23195.31
	(24513.11)	-	-	(24513.11)
Rent Paid	44.98	9.15	-	54.13
	(38.09)	(21.97)	-	(60.06)
Fees for Product Development	502.00	-	-	502.00
	-	-	-	-
Other Expenses (Net)	361.00	1301.30	-	1662.30
	(305.36)	(1059.11)	-	(1364.47)
Deposits Given	-	-	-	-
	-	(25.00)	-	(25.00)
Deposits Redeemed	-	400.00	-	400.00
	-	-	-	-



Financial Statements and Notes

Notes forming part of the Consolidated Financial Statements

continued

39. a. Consolidated Related Party Disclosure (Contd.)

Particulars of transactions during the year ended March 31, 2012	Rs. in Lakhs				
	Nature of Transactions	Associates/ Joint Ventures	Promoter	Key Management Personnel/Relatives	Total
Directors Remuneration *		-	-	2919.86	2919.86
		-	-	(5212.87)	(5212.87)
Dividend Paid		-	2837.44	-	2837.44
		-	(3067.29)	-	(3067.29)
Investments Redeemed		2581.62	-	-	2581.62
		(245.48)	-	-	(245.48)
Investments Made		10883.15	-	-	10883.15
		(4578.82)	-	-	(4578.82)
Reimbursement of Expenses		(50.02)	6.31	-	(43.71)
		(131.51)	-	-	(131.51)
Dividend/Interest Received		451.51	140.40	-	591.91
		(609.54)	(122.85)	-	(732.39)
Balances Outstanding - Debit		590.32	-	-	590.32
		(14.00)	-	-	(14.00)
- Credit		204.68	1003.01	-	1207.69
		(158.34)	(471.20)	-	(629.54)

* Provision for employee benefits, which are based on actuarial valuation done on an overall basis, is excluded

Related Parties

Promoter

Tata Sons Ltd.

Associates

Estate Management Services Pvt Ltd.

Amalgamated Plantations Pvt. Ltd.

Joint Ventures

NourishCo Beverages Ltd.

Tata Starbucks 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 Beverages Company LLC

Key Management Personnel

Mr P T Siganporia - Managing Director, Tata Global Beverages Ltd.

Mr Ajoy Misra - Executive Director, Tata Global Beverages Ltd. (w.e.f 01.12.2011)

Mr Hameed Huq - Managing Director, Tata Coffee Ltd.

Mr M Deepak Kumar, Executive Director, Tata Coffee Ltd.

Mr P D Unsworth, Director & CEO, Tata Global Beverages Group Ltd. (upto 30.06.2011)

Mr J R Nicholas, Director, Tata Global Beverages Group Ltd. (upto 08.11.2011)

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.

Mr Tom Corcoran, Director, Consolidated Coffee Inc.

Mr Steve Rice, Director, Consolidated Coffee Inc.(w.e.f 26.07.2011)

Ms Barbara Roth, Director, Consolidated Coffee Inc.(upto 15.07.2011)

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

			Rs. in Lakhs	
			2012	2011
1	Sale of Goods and Services	Southern Tea LLC, USA	-	25.85
		Tetley Clover Pvt. Ltd., Pakistan	967.00	1883.29
2	Other Income	Tata Sons Ltd.	-	-
3	Purchase of Goods & Services	Amalgamated Plantations Pvt. Ltd.	17008.85	19286.20
		Southern Tea LLC, USA	6186.46	4375.22
4	Rent Paid	Tata Sons Ltd.	9.15	21.97
		Amalgamated Plantations Pvt. Ltd.	44.98	38.09
5	Fees for Product Development	NourishCo Beverages Ltd.	502.00	-
6	Other Expenses (Net)	Tata Sons Ltd.	1301.30	1059.11
		Amalgamated Plantations Pvt. Ltd.	361.00	305.36
7	Dividend Paid	Tata Sons Ltd.	2837.44	3067.29
8	Investments Redeemed	Amalgamated Plantations Pvt. Ltd.	2581.62	245.48
9	Investments Made	NourishCo Beverages Ltd.	1500.00	-
		Tata Starbucks Ltd.	3500.00	-
		The Rising Beverages Company LLC	5883.15	4578.82
10	Reimbursement of Expenses (net)	Amalgamated Plantations Pvt. Ltd.	176.85	131.51
		NourishCo Beverages Ltd.	(151.49)	-
		Tata Starbucks Ltd.	(75.38)	-
11	Deposits Given	Tata Sons Ltd.	-	25.00
12	Deposits Redeemed	Tata Sons Ltd.	400.00	25.00
13	Dividend and Interest Received	Amalgamated Plantations Pvt. Ltd.	403.21	562.15
		Tata Sons Ltd.	140.40	122.85

40. Consolidated Segment Reporting

a) By Business Segments:						Rs. in Lakhs
	Tea	Coffee and Other Produce	Others	Unallocated	Total	
Sales Revenue from external customers	476766.76	175280.58	6478.46	-	658525.80	
	(449010.21)	(142025.99)	(7206.04)	-	(598242.24)	
Other Operating revenue	3260.85	1249.98	61.46	18.40	4590.69	
	(1110.19)	(924.63)	(37.43)	(2.49)	(2074.74)	
Total Segment Revenue	480027.61	176530.56	6539.92	18.40	663116.49	
	(450120.40)	(142950.62)	(7243.47)	(2.49)	(600316.98)	
Add : Other Income				9451.70	9451.70	
				(9719.26)	(9719.26)	
Total Revenue	480027.61	176530.56	6539.92	9470.10	672568.19	
	(450120.40)	(142950.62)	(7243.47)	(9721.75)	(610036.24)	



Financial Statements and Notes

Notes forming part of the Consolidated Financial Statements

continued

a) By Business Segments (Contd.):					Rs. in Lakhs	
	Tea	Coffee and Other Produce	Others	Unallocated	Total	
Segment result	50650.48 (42415.64)	19609.28 (25252.22)	(1921.84) (1249.44)	- (0.02)	68337.91 (66418.41)	
Add : Other Income				9451.70 (9719.26)	9451.70 (9719.26)	
Add: Unallocable (expenditure) net of income				(15646.04) (15550.87)	(15646.04) (15550.87)	
Less: Finance Cost				(7035.25) (12102.25)	(7035.25) (12102.25)	
	50650.48 (42415.64)	19609.28 (25252.22)	(1921.84) (1249.44)	(13229.59) (17933.88)	55108.32 (48484.54)	
Exceptional Income / (Expenditure)				2253.56 (951.12)	2253.56 (951.12)	
Profit before Tax	50650.48 (42415.64)	19609.28 (25252.22)	(1921.84) (1249.44)	(10976.03) (16982.76)	57361.88 (49435.66)	
Provision for Taxation				14170.97 (20231.27)	14170.97 (20231.27)	
Profit after Taxation before Share of Results of Associates and Minority Interest	50650.48 (42415.64)	19609.28 (25252.22)	(1921.84) (1249.44)	(25147.00) (37214.03)	43190.91 (29204.39)	
Share of net Profits of Associates				(1511.48) (2024.64)	(1511.48) (2024.64)	
Profit after Taxation before Minority Interests	50650.48 (42415.64)	19609.28 (25252.22)	(1921.84) (1249.44)	(26658.48) (35189.39)	41679.43 (31229.03)	
Segment Assets	406577.85 (362668.23)	209055.99 (190880.69)	22297.84 (19014.93)	- (572563.85)	637931.68 (572563.85)	
Investments				56653.53 (58650.70)	56653.53 (58650.70)	
Unallocated Assets				133296.53 (145231.90)	133296.53 (145231.90)	
Total Assets	406577.85 (362668.23)	209055.99 (190880.69)	22297.84 (19014.93)	189950.06 (203882.60)	827881.74 (776446.45)	
Segment Liabilities	100161.28 (100286.95)	27408.18 (23389.20)	1163.82 (827.31)	- (124503.46)	128733.28 (124503.46)	
Unallocated Liabilities				135982.02 (145422.83)	135982.02 (145422.83)	
Total Liabilities	100161.28 (100286.95)	27408.18 (23389.20)	1163.82 (827.31)	135982.02 (145422.83)	264715.30 (269926.29)	
Capital Expenditure	7637.17 (8558.61)	2364.63 (2380.04)	1943.33 (266.04)	- (-)	- (-)	
Depreciation & Amortisation	5619.74 (6193.53)	3768.47 (3462.91)	226.34 (285.98)	- (-)	- (-)	
Non Cash Expenditure other than depreciation and amortisation	1.40 (23.74)	- (743.21)	0.01 (61.97)	- (-)	- (-)	

b) By Geographical Segments:

	Rs. in Lakhs				
	India	UK	USA & Canada	Rest of the World	Total
Sales Revenue	199251.11	147604.68	175892.59	135777.42	658525.80
	(177662.36)	(135779.58)	(165418.96)	(119381.34)	(598242.24)
Segment Assets	139405.54	259334.53	185854.90	53336.71	637931.68
	(127954.45)	(228525.84)	(166863.96)	(49219.60)	(572563.85)
Purchase of Fixed Assets	8269.34	929.22	1133.71	1612.86	11945.13
	(3561.43)	(2668.53)	(1995.64)	(2979.08)	(11204.68)

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.

41. Post Retirement Employee Benefits :

The Group operates defined contribution schemes like provident fund and defined contribution superannuation schemes. For these schemes, contributions are made by the Group, based on current salaries, to funds maintained by the Group and for certain categories contributions are made to State Plans. For certain schemes contributions are also made by the employees. An amount of **Rs. 1985.83 Lakhs** (Rs. 2465.07 Lakhs) has been charged to the statement of profit and loss on account of defined contribution schemes.

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



Financial Statements and Notes

Notes forming part of the Consolidated Financial Statements

continued

Amounts recognised in the Statement of Profit and Loss and charged to Contribution to Provident Fund and other Funds are as follows:

	Rs. in Lakhs					
	Pension		Gratuity		Medical	
	2012	2011	2012	2011	2012	2011
Current Service Cost	-	-	413.27	230.80	131.62	114.15
Interest on obligation	3926.47	3713.60	374.66	333.62	280.60	229.18
Expected Return on plan assets	(4036.38)	(3875.49)	(336.17)	(331.58)	-	-
Net actuarial loss/ (gain) recognised during the year *	(60.25)	(3444.80)	533.60	351.83	27.81	381.27
Other Credits	-	-	4.56	5.19	-	-
Effects of the limit in Para 59(b)	12.02	18.29	0.91	0.11	-	-
Total recognised in statement of profit and loss	(158.14)	(3588.40)	990.83	589.97	440.03	724.60

*Amount charged to Reserve - Rs. 7071.71 Lakhs (net of tax and minority interest) on account of change in accounting policy (Refer Note 3(m)(iv)).

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

	Rs. in Lakhs					
	Pension		Gratuity		Medical	
	2012	2011	2012	2011	2012	2011
Opening defined benefit obligation	65482.57	63990.73	4640.02	4217.93	3416.88	2798.31
Current Service Cost	-	-	412.67	230.80	131.62	114.15
Interest Cost	3926.47	3713.60	374.66	333.62	280.60	229.18
Actuarial loss/ (gain)	9140.41	(3662.53)	598.15	396.42	27.81	381.27
Past Service cost	-	-	-	5.19	-	-
Liabilities extinguished on settlements	-	-	-	18.47	-	-
Liabilities assumed on Acquisition / (settled on Divestiture) etc.	-	-	50.63	29.76	-	-
Exchange Rate Variation	9061.53	3308.88	-	-	-	-
Benefit Paid	(2392.63)	(1868.11)	(458.07)	(543.37)	(78.98)	(106.04)
Closing Defined Benefit Obligation	85218.34	65482.57	5618.05	4688.82	3777.93	3416.87

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

	Rs. in Lakhs			
	Pension		Gratuity	
	2012	2011	2012	2011
Opening fair value of Plan Assets	58375.49	51628.58	4090.11	4054.69
Expected Return on plan assets	4036.38	3875.49	336.16	331.58
Actuarial gain/ (loss)	(1013.84)	(217.73)	64.56	46.75
Asset distributed on settlement	-	-	-	-
Contribution/ (Withdrawal) by employer	2280.30	2115.90	567.40	208.90
Assets acquired on Acquisition / (settled on Divestiture)	-	-	46.07	48.23
Exchange Rate Variation	8116.48	2773.13	-	-
Benefits Paid	(2330.17)	(1799.87)	(458.07)	(543.68)
Closing Fair value of Plan Assets	69464.65	58375.49	4646.23	4146.47
Actual Return on Plan Assets	3022.54	3657.76	400.72	378.33

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

	2012	2011
Govt of India Securities	0%	1%
Equity	38%	41%
Bonds	45%	40%
Insurance managed Funds	7%	8%
Property	8%	9%
Others	0%	1%
Total	100%	100%

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

	Rs. in Lakhs			
	Increase		Decrease	
	2012	2011	2012	2011
Effect on aggregate of interest cost and current service cost	84.13	102.37	(75.66)	(109.33)
Effect on defined benefit obligation	251.52	224.20	(230.75)	(205.69)

Principal Actuarial assumptions used:

	2012	2011
Discount rates	8.65% / 5.00%	8% / 5.65%
Expected rate of return on plan assets	7.50% / 6.50%	7.50% / 7.25%
Expected salary increase rates	4.00% / 5.00% based on employee category	4.00% / 5.00% based on employee category
Medical inflation rate	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

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 March 31, 2013 is not readily ascertainable.

Amounts recognised in the Balance Sheet are as follows:

	Rs. in Lakhs														
	Pension					Gratuity					Medical				
	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008
Present value of															
funded obligation	84627.72	64843.75	63313.23	53360.70	63365.27	41.28	4688.50	4217.93	4116.08	3405.02	-	-	-	-	-
Fair Value of Plan Assets	69464.64	58375.49	51628.58	41383.12	54466.42	54.38	4146.46	4054.69	3197.45	3183.59	-	-	-	-	-
	15163.08	6468.26	11684.65	11977.58	8898.85	(13.10)	542.04	163.24	918.63	221.43	-	-	-	-	-
Present value of unfunded															
obligation	590.64	638.82	677.50	336.91	371.58	-	-	-	-	-	3777.93	3416.88	2798.31	2472.52	2060.22
Amount not recognised as an															
asset (limit in Para 59 (b) of AS -15)	70.85	58.83	40.53	6.29	-	-	-	-	-	0.45	-	-	-	-	-
Net Liability	15824.57	7165.91	12402.68	12320.78	9270.43	(13.10)	542.04	163.24	918.63	221.88	3777.93	3416.88	2798.31	2472.52	2060.22

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

Financial Statements and Notes

Subsidiary Companies' Financial highlights



For the year ended 31st March 2012

Item	Reporting Currency	Capital Reserves	Total Assets	Total Liabilities	Turnover	Profit before Taxation	Profit for Taxation	Proposed Dividend	Investments (Other than Subsidiaries and holding company)	Exchange Rate used for Conversion		
										Average yearly rates for Balance Sheet items (Rs.)	Year end rates for Balance Sheet items (Rs.)	
Tata Global Beverages Group Ltd.	Pound Sterling	191,586.13	12,855.00	650,036.67	445,595.55	-	(7,533.50)	-	(7,533.50)	-	76.01	81.50
Tata Global Beverages Holdings Ltd.	Pound Sterling	0.16	130,017.77	154,454.73	24,436.80	-	-	-	-	-	76.01	81.50
Tata Global Beverages Services Ltd.	Pound Sterling	130.40	279,322.51	399,160.11	119,707.20	19,743.23	(966.11)	(2,062.19)	-	-	76.01	81.50
Tata Global Beverages GB Ltd.	Pound Sterling	0.00	153,092.86	227,051.67	73,958.81	138,256.56	2,197.49	15,383.21	-	-	76.01	81.50
Tata Global Beverages Overseas Holdings Ltd.	Pound Sterling	0.00	2,761.22	50,952.99	48,191.77	-	(950.14)	(865.01)	-	-	76.01	81.50
Tata Global Beverages Overseas Ltd.	Pound Sterling	0.00	(843.53)	5,921.79	6,765.32	135.30	(1,009.43)	(287.32)	-	-	76.01	81.50
Lyons Tetley Limited (Dormant)	Pound Sterling	16.30	-	16.30	-	-	-	-	-	-	76.01	81.50
Tata Global Beverages US Holdings Inc	US Dollars	10,404.44	12,275.44	37,088.30	14,408.42	-	(171.55)	-	-	-	47.52	50.87
Tetley USA Inc	US Dollars	69,439.58	(52,324.37)	20,043.29	2,928.08	13,164.41	548.38	(49.90)	598.27	-	47.52	50.87
Tata Global Beverages Canada Inc	Canadian Dollars	766.05	4,576.89	14,251.75	8,908.81	37,978.54	1,174.52	325.96	848.56	-	48.08	51.07
Tata Global Beverages Australia Pty Ltd.	Australian Dollars	1,484.00	(5,354.06)	5,368.37	9,238.43	9,762.09	(1,743.66)	931.98	(2,675.64)	-	49.92	53.00
Stansand Ltd. (Dormant)	Pound Sterling	4.08	-	4.08	-	-	-	-	-	-	76.01	81.50
Stansand Brokers Ltd. (Dormant)	Pound Sterling	25.84	-	25.84	-	-	-	-	-	-	76.01	81.50
Stansand (Africa) Ltd.	Kenyan Shilling	3.07	517.25	1,460.14	939.82	13,475.71	106.35	37.11	69.25	54.32	0.54	0.61
Stansand (Central Africa) Ltd.	Malawi Kwacha	0.06	84.78	825.95	741.12	6,443.44	991.4	31.70	67.44	-	0.30	0.31
Tata Global Beverages Polska sp.oz.o	Polish Zloty	3,097.95	(4,967.35)	5,913.99	7,783.39	13,564.55	(1,278.08)	(3.32)	(1,274.76)	-	15.81	16.34
Drassington Ltd.	Pound Sterling	1,594.14	(1,718.02)	26.90	150.78	-	(3.04)	-	(3.04)	-	76.01	81.50
Good Earth Corporation	US Dollars	-	(335.23)	-	335.23	16.16	(109.77)	-	(109.77)	-	47.52	50.87
Good Earth Teas Inc.	US Dollars	45.78	(4,389.06)	2,797.34	7,140.62	5,467.63	(611.10)	-	(611.10)	-	47.52	50.87
Teapigs Ltd.	Pound Sterling	815.00	(92.10)	1,466.19	743.28	3,171.20	304.05	79.05	224.99	-	76.01	81.50
Tata Global Beverages Czech Republic a.s	Czech Krona	6,361.67	(6,007.94)	9,627.13	9,273.40	6,587.85	(1,052.00)	(439.15)	(1,491.16)	-	2.68	2.74
Tata Global Beverages (GB) Investment Ltd.	Pound Sterling	190,504.62	160,266.49	354,142.77	3,371.66	-	8,221.40	2,170.13	6,051.28	-	18,153.91	81.50
Campestres Holdings Ltd.	US Dollars	1.53	6,006.37	7,332.05	1,324.15	-	(144.46)	-	(144.46)	-	47.52	50.87
Kahutara Holdings Ltd.	US Dollars	5.09	9,722.78	15,626.76	5,898.89	-	1,189.90	0.38	1,189.52	-	47.52	50.87
Suntico Holdings Ltd.	US Dollars	35.10	8,299.44	8,370.66	36.12	3,335.62	3,412.87	177.72	3,235.15	-	47.52	50.87
Onomento Co Ltd.	US Dollars	3.56	1,735.68	1,758.07	18.82	369.70	332.16	32.31	299.85	-	47.52	50.87
OOO Sunity LLC.	Russian Roubles	3,434.93	1,248.59	18,129.49	13,445.98	44,103.37	2,905.89	637.87	2,268.02	-	1.61	1.73
OOO Teatrade LLC.	Russian Roubles	0.17	108.71	6,561.34	6,452.45	1,202.62	138.52	24.92	113.61	-	1.61	1.73
Joekels Tea Packers (Proprietary) Ltd.	South African Rand	0.01	1,045.27	2,663.53	1,618.26	7,228.82	217.54	89.80	127.73	-	6.45	6.64
Tata Global Beverages Capital Ltd.	Pound Sterling	73,029.71	860.64	105,944.30	32,053.95	2,254.50	1,508.83	(883.10)	1,891.93	-	76.01	81.50
Tata Coffee Ltd.	Indian Rupees	1,867.70	43,858.02	65,666.25	19,940.53	51,657.20	10,415.74	2,530.46	7,885.28	2,054.47	453.22	
Alliance Coffee Ltd.	Indian Rupees	5.00	82.68	181.69	94.01	1.47	1.92	-	1.92	70.75		
Consolidated Coffee Inc. (Consolidated)	US Dollars	30,471.13	720.32	134,161.99	102,970.55	84,356.67	(1,372.85)	(1,228.39)	(1,444.46)	-	47.52	50.87
Tata Tea Extractions Inc.	US Dollars	7,121.80	14,823.01	25,631.87	3,687.06	7,867.38	1,138.10	276.57	861.53	-	47.52	50.87
Zhejiang Tata Tea Extraction Company Ltd.	Chinese Yuan	4,442.79	(1,446.73)	8,420.06	5,424.00	368.22	(854.22)	282.14	(572.08)	-	7.43	8.08
Tata Tea Holdings Private Ltd.	Indian Rupees	5.00	(2.84)	2.16	-	-	-	-	-	-	-	-
Mount Everest Mineral Water Ltd.	Indian Rupees	3,399.60	949.14	4,827.58	478.84	2,184.85	(163.79)	-	(163.79)	-	-	-


Rs. in Lakhs

	2011-12 #	2010-11 #	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
Total Income	212938	192408	183684	152464	126329	114611	104017	95024	83845	80684
Profit before Tax	36991	23023	49543	22906	38586	34977	23052	16215	12023	10010
Tax	6723	4964	10396	7000	7300	4320	4359	3323	2870	2950
Profit after Tax	30268	18059	39147	15906	31286	30657	18693	12892	9153	7060
Dividend payout	15365@	14154@	14313@	12533@	25322@	10852@	7693@	6410@	5403@	4439@
Equity Capital	6184	6184	6184	6184	6184	5903	5622	5622	5622	5622
Share Warrants	-	-	-	-	-	2183	-	-	-	-
Reserves & Surplus	214827	199461	201600	173748	174221	148469	110505##	99275	91903 \$	92241
Shareholders' Funds	221011	205645	207784	179932	180405	156555	116127	104897	97525	97863
Borrowings	36685	50547	49966	75500	75751	79700	24136	19137	19736	22539
Capital Employed	257696	256192	257750	255432	256156	236255	140263	124035	117261	120401
Net Block	14278	12600	11136	10396	9810	24658	25031	30269	31288	33263
Contribution to Exchequer	8666	7202	11999	8045	8270	5358	5654	5719	4456	3833
Payments relating to										
Employees	10069	9545	9503	9175	7183	17915	17631	21892	21694	23368
No. of Employees	2218	2373	2419	2422	2510	34506	34596	51929	55665	56099
Book value per Share (Rs.)*	35.39?	32.90?	332.47	287.43	288.19	261.51	202.67	182.69	169.58	170.18
Earnings per Share (Rs.)	4.89?	2.92?	63.3	25.72	50.79**	53.56**	33.25	22.93	16.28	12.56
Dividend per Share (Rs.)	2.15?	2.00?	20.00	17.50	35.00∞	15.00	12.00	10.00	8.50	7.00
Total Debt to Equity *	0.17	0.25	0.24	0.42	0.43	0.52	0.21	0.19	0.21	0.24

CONSOLIDATED FINANCIAL HIGHLIGHTS

Total Income	672568	610036	585499	490730	437597	410323	315112	307673	309948	296778^
Profit before Tax	57362	49436	64098	125631	205928	56561	41840	31372	28771	17891^
Net Profit	35614	25433	39030	70055	154255	44335	29915	21547	19643	8254^
Book value per Share (Rs.) *	73.15?	63.37?	596.35	580.94	557.34	359.96	275.27	266.26	234.97	207.20
Basic Earnings per Share (Rs.)	5.76?	4.11?	63.11	113.28	250.41**	77.46**	53.21	38.33	34.95	14.68^
Total Debt to Equity *	0.16	0.21	0.38	0.53	0.59	1.67	1.03	1.02	1.28	1.42

@ 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.

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

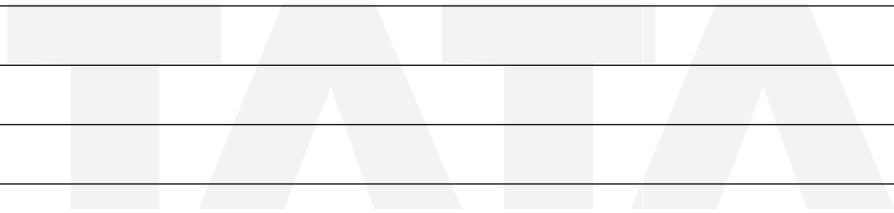
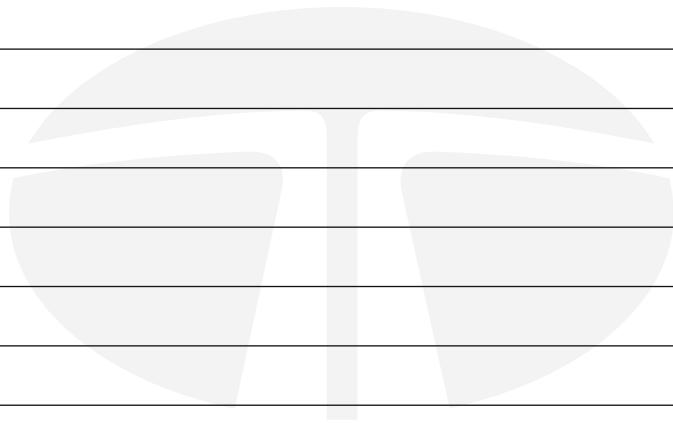
\$ After deduction of Rs. 4100 Lakhs of Miscellaneous Expenditure to the extent not written off or adjusted, pursuant to the order of the Hon'ble High Court of Kolkata.

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

? Computation based on revised face value of shares

Figures for 2011-12 and 2010-11 is as per Revised Schedule VI.

Notes



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